

HARMONY PUBLIC SCHOOLS

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2024



HARMONY PUBLIC SCHOOLS

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HARMONY PUBLIC SCHOOLS

071-806

101-858

015-828

101-846

227-816

161-807

101-862

(Federal Employer Identification Number: 76-0615245)

CERTIFICATE OF BOARD

June 30, 2024

We, the undersigned, certify that the attached Annual Financial and Compliance Report of Harmony Public Schools was review and approved disapproved for the year ended June 30, 2024, at a meeting of the governing body of said charter school on the 16th day of November, 2024



Signature of Board Treasurer



Signature of Board President

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Harmony Public Schools

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying the consolidated financial statements of Harmony Public Schools (a nonprofit organization) ("HPS"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of HPS as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the HPS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the HPS's ability to continue as a going concern *within one year after the date that the financial statements are available to be issued*.

To the Board of Directors of
Harmony Public Schools

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standard* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the HPS’s internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the HPS’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The *Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Harmony Public Schools’ June 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 11, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

To the Board of Directors of
Harmony Public Schools

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2024. on our consideration of the HPS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the HPS's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the HPS's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
November 16, 2024



FINANCIAL STATEMENTS



HARMONY PUBLIC SCHOOLS
STATEMENT OF FINANCIAL POSITION
June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets:		
Cash	\$ 77,765,629	\$ 59,626,565
Restricted cash	72,168,668	59,586,753
Investments	164,039,857	100,711,879
Receivables	93,031,110	90,779,176
Other receivables	8,773,772	3,900,536
Prepays	<u>1,546,411</u>	<u>2,169,338</u>
Total Current Assets	<u>417,325,447</u>	<u>316,774,247</u>
Property and Equipment:		
Land	129,921,754	127,031,724
Buildings and improvements	606,083,576	544,805,590
Furniture and equipment	71,144,969	61,698,574
Construction in progress	120,820,881	48,278,072
Finance lease right-of-use asset - building	<u>101,931,779</u>	<u>115,478,342</u>
	1,029,902,959	897,292,302
Less: Accumulated depreciation and amortization	(228,108,428)	(212,685,012)
Operating lease right-of-use asset	<u>8,289,506</u>	<u>13,172,757</u>
	810,084,037	697,780,047
Other Assets:		
Deposits	<u>274,709</u>	<u>274,709</u>
Total Assets	<u>\$ 1,227,684,193</u>	<u>\$ 1,014,829,003</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 38,904,341	\$ 24,470,578
Accrued liabilities	5,107,375	361,844
Wages payable	71,631,599	46,543,536
Payroll taxes payable	3,867,958	15,928,238
Interest payable	8,748,901	11,124,539
Due to state	806	-
Deferred revenue	293,621	243,649
Current portion of lease liability	6,241,718	6,250,932
Current portion of bonds payable	<u>10,875,001</u>	<u>10,475,000</u>
Total Current Liabilities	<u>145,671,320</u>	<u>115,398,316</u>
Long-Term Liabilities:		
Lease liability net of current portion	96,946,368	103,565,397
Notes payable	63,880,879	107,719,040
Bonds payable net of premium, discount, issuance costs and current portion	<u>711,469,810</u>	<u>517,835,587</u>
Total Liabilities	<u>1,017,968,377</u>	<u>844,518,340</u>
Net Assets:		
Without donor restrictions	94,104,869	63,760,283
With donor restrictions	<u>115,610,947</u>	<u>106,550,380</u>
Total Net Assets	<u>209,715,816</u>	<u>170,310,663</u>
Total Liabilities and Net Assets	<u>\$ 1,227,684,193</u>	<u>\$ 1,014,829,003</u>

HARMONY PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	2023
Support and Revenue				
Federal grants	\$ -	\$ 97,503,418	\$ 97,503,418	\$ 104,214,415
State aid, state grants and local grants	-	466,503,249	466,503,249	419,779,298
Donations	17,182,963	-	17,182,963	11,175,731
Interest Income	6,024,775	-	6,024,775	3,250,863
Other income	9,820,346	1,613,715	11,434,061	10,533,314
Net assets released from restrictions	559,250,338	(559,250,338)	-	-
Total Revenues	592,278,422	6,370,044	598,648,466	548,953,621
Expenses				
Salaries	321,926,334	-	321,926,334	312,360,146
Employee benefits	50,932,807	-	50,932,807	37,511,235
Payroll tax expense	5,627,564	-	5,627,564	5,301,943
Professional fees	46,426,075	-	46,426,075	42,684,322
Occupancy	6,188,128	-	6,188,128	2,546,464
Equipment costs	2,234,810	-	2,234,810	2,869,620
Repairs & maintenance	18,581,509	-	18,581,509	15,502,015
Utilities	8,025,250	-	8,025,250	7,752,910
Supplies	25,068,804	-	25,068,804	19,256,224
Travel	3,328,263	-	3,328,263	2,746,365
Insurance	3,933,941	-	3,933,941	2,886,063
Other expense	12,074,337	-	12,074,337	10,894,479
Depreciation and amortization	28,994,883	-	28,994,883	29,810,643
Interest	28,591,131	-	28,591,131	29,950,174
Total Expenses	561,933,836	-	561,933,836	522,072,603
Change in net assets from operations	30,344,586	6,370,044	36,714,630	26,881,018
Non-Operating Revenues (Expenses)				
Extraordinary items	-	37,431	37,431	85,989
Gain (Loss) on sale of investments	-	2,653,092	2,653,092	206,160
Total Non-Operating Revenues (Expenses)	-	2,690,523	2,690,523	292,149
Total change in net assets	30,344,586	9,060,567	39,405,153	27,173,167
Net Assets, Beginning of Year	63,760,283	106,550,380	170,310,663	143,137,496
Net Assets, End of Year	\$ 94,104,869	\$ 115,610,947	\$ 209,715,816	\$ 170,310,663

HARMONY PUBLIC SCHOOLS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 39,405,153	\$ 27,173,167
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization of capital assets and right-to-use assets	28,994,883	29,810,643
Amortization - premium on bonds	(2,100,936)	(2,100,936)
Amortization - bond issuance costs	500,721	500,727
(Increase) Decrease in receivables	(2,251,934)	3,734,204
(Increase) Decrease in other receivables	(4,873,236)	(1,262,074)
(Increase) Decrease in prepaids	622,927	(189,147)
Increase (Decrease) in accounts payable	14,433,763	(1,442,250)
Increase (Decrease) in wages payable	25,088,063	4,872,555
Increase (Decrease) in payroll taxes payable	(12,060,280)	985,953
Increase (Decrease) in accrued liabilities	4,745,531	(2,173,837)
Increase (Decrease) in deferred revenue	49,972	(664,339)
Increase (Decrease) in interest payable	(2,375,638)	2,362,850
Net Cash Provided (Used) by Operating Activities	<u>90,178,989</u>	<u>61,607,516</u>
Cash Flows from Investing Activities		
Purchase of fixed assets	(141,247,820)	(120,953,049)
Purchase of investments	(63,327,978)	(6,512,595)
Net Cash Provided (Used) by Investing Activities	<u>(204,575,798)</u>	<u>(127,465,644)</u>
Cash flows from Financing Activities		
Proceeds from bonds, net of premium and bond issuance costs	206,074,538	-
Proceeds from loans	-	73,853,063
Repayment of loans	(43,838,161)	-
Repayment of bonds	(10,475,001)	(6,870,000)
Payments on lease liability	(6,643,588)	(4,302,546)
Net Cash Provided (Used) by Financing Activities	<u>145,117,788</u>	<u>62,680,517</u>
Net increase (decrease) in cash	30,720,979	(3,177,611)
Cash at Beginning of Year	<u>119,213,318</u>	<u>122,390,929</u>
Cash at End of Year	<u>\$ 149,934,297</u>	<u>\$ 119,213,318</u>
Cash Per the Statement of Financial Position		
Cash	\$ 77,765,629	\$ 59,626,565
Restricted Cash	72,168,668	59,586,753
Total Cash per the Statement of Financial Position	<u>\$ 149,934,297</u>	<u>\$ 119,213,318</u>
Supplemental Disclosures		
Cash paid during the year for:		
Interest	<u>\$ 31,348,348</u>	<u>\$ 28,734,723</u>



HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization

Harmony Public Schools ("HPS"), a nonprofit organization, provides curricula for students in grades kindergarten through 12. The school was incorporated in the State of Texas in September 1999, under the Texas Non-Profit Corporation Act. The Internal Revenue Service determined that HPS was exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in Section 501 (c)(3).

Pursuant to its charter granted by the State Board of Education in accordance with Texas Education Code Section 12, Subchapter D, Open-Enrollment Charter School, HPS operates as part of the state public school system subject to all federal and state laws and rules governing public schools. HPS is also subject to all laws and rules pertaining to open-enrollment charter schools in Section 12 of the Texas Education Code.

Note 2 - Summary of Significant Accounting Policies

A. Principles of Consolidation

The consolidated financial statements include all of HPS's accounts. All significant intercompany balances and transactions have been eliminated.

B. Support and Revenue

Per the Texas Education Agency, revenues, generally, that are reported on the statement of activities may be presented in three broad categories.

- Local and intermediate sources such as contributions received from charter holder constituents, funds received pursuant to grants from local governmental and nongovernmental entities, and other sources, such as income from investments.
- State sources such as Foundation School Program funding and other formula or state grants.
- Federal sources such as funding through formula or discretionary grants awarded to the charter holder by the federal or state government

Support and revenue are recorded based on the accrual method.

C. Cash Donations and Donated Services

Cash donations are considered to be available for use without donor restrictions unless specifically restricted by the donor. No amounts have been reflected in the financial statements for donated services since no objective basis is available to measure the value of such donations. Nevertheless, a substantial number of volunteers have donated their time in connection with the program service and administration of the organization.

D. Comparative Totals and Reclassifications

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30 of the prior year, from which the summarized information was derived. In addition, Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. These changes were between the ROU asset, net of amortization and the related liability. The reclassifications had no impact on previously reported net assets.

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

E. Contributions

In accordance with *Financial Accounting Standards Board Accounting Standards Codification 958 Not-For-Profit Entities-605 Revenue Recognition*, contributions received are recorded as support with or without donor restrictions depending on the existence or nature of any donor restrictions.

F. Property and Equipment

Property and equipment purchased by HPS is recorded at cost. Donations of property and equipment are recorded at their fair value at the date of the gift. All assets acquired with a value in excess of \$5,000 are recorded as fixed assets. Depreciation is provided on the straight-line method based upon estimated useful lives of five to thirty-nine years for depreciable assets. Gains and losses on retired or sold property and equipment are reflected in income for the period. The proceeds from such sales which are not legally required or expected to be reinvested in property and equipment are transferred to unrestricted net assets.

G. Pledges and Accounts Receivable

Contributions are recognized when the donor makes a promise to give to HPS which is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor- restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

No provision has been made for uncollectible promises to give and accounts receivable as of the statement of financial position date, given that none have been identified.

H. Functional Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the notes to the financial statements. The Texas Education Agency mandates a specific account coding that requires open enrollment charter schools to record expenses to a unique combination of function and object. Generally, HPS records its expenses based on direct allocation by assigning each expense to a functional category based on direct usage. See Note 19. for more information.

I. Income Taxes

HPS qualifies as a tax-exempt organization under section 501 (c) (3) of the Internal Revenue Code and, therefore, has no provision for income taxes.

J. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents are comprised of cash on hand and in banks. The cash accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. HPS has secured pledged collateral at 100% of its bank balances. HPS has not experienced any losses on such accounts.

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

K. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values on the statement of financial position. Unrealized gains and losses are included in the change in net assets. The Academy classifies its marketable debt securities as "held to maturity" if it has the positive intent and ability to hold the securities to maturity. All other marketable securities are classified as "available for sale." Realized gains and losses and unrealized gains and losses, determined using the specific identification method, are included in the change in net assets.

L. Fair Value Measurements

FASB ASC 820 *Fair Value Measurements and Disclosures* establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are as follows:

- Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2: Significant direct or indirect, observable inputs other than quoted prices;
- Level 3: Unobservable inputs based on assumptions of the reporting entity.

The fair value measurement of assets and liabilities within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

M. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N. Compensated Absences

Permanent employees of HPS accumulate and vest paid-time-off at varying rates depending on exempt status and hourly rate. It is HPS' policy to accrue accumulated paid-time-off at year-end.

O. Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified as either without donor restrictions or with donor restrictions.

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

O. Net Assets (continued)

In accordance with state law, a charter holder is entitled to receive state aid for the charter school based on student attendance; however, before the charter holder may reclassify state aid from net assets with donor restrictions to net assets without donor restrictions, it must meet a two part test.

1. First, the charter school must demonstrate that it expended state aid for the benefit of its students.
2. Second, the charter school must expend state aid consistent with TEC, §45.105(c).

As described in Note 13., the majority of HPS' revenue is comprised of state aid from the Texas Education Agency.

P. New Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. Subsequently, the FASB issued several clarifying standard updates to clarify and improve the ASU. These ASUs significantly change how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model that will be based on an estimate of current expected credit loss ("CECL"). Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. HPS does not have any financial assets that are subject to the guidance in Topic 326.

HPS adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

Note 3 - Defined Pension Plan

Plan Description

The charter school contributes to the Teacher Retirement System of Texas ("TRS"), a cost sharing, multiple-employer defined benefit pension plan with one exception; all risks and costs are not shared by the charter school, but are the liability of the State of Texas. It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

The plan operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government code, Title 8, Chapters 803 and 805 respectively. The Texas State legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701 or by calling the TRS Communications Department at 1-800- 223- 8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications Heading.

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 3 - Defined Pension Plan (continued)

Plan Description (continued)

Charter schools are legally separate entities from the State and each other. Assets contributed by one charter or independent school district ("ISD") may be used for the benefit of an employee of another ISD or charter. The risk of participating in multi-employer pension plans is different from single-employer plans. Assets contributed to a multi-employer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. There is no withdrawal penalty for leaving the TRS system. There is no collective-bargaining agreement. The TRS Annual Comprehensive Financial Report available dated August 31, 2023 and August 31, 2022 indicated the following:

TRRS Pension	TRRS Plan Fiduciary			Percent	
Fund	Total Plan Assets	Net Position	Total Pension Liability	Net Pension Liability	Funded
2023	\$ 213,472,525,705	\$ 187,170,535,558	\$ 255,860,886,500	\$ 68,690,350,942	73.15%
2022	207,621,897,538	184,185,617,196	243,553,045,455	59,367,428,259	75.62%
2021	223,172,755,137	201,807,002,496	227,273,463,630	25,466,461,134	88.79%
2020	184,361,870,581	165,416,245,243	218,974,205,084	53,557,959,841	75.54%
2019	181,800,159,205	157,978,199,075	209,961,325,288	51,983,126,213	75.24%
2018	176,942,453,923	154,568,902,000	209,611,329,000	55,042,427,000	0.7374

Funding Policy

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member’s annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025. Measurement years for TRS begin on September 1st and end on August 31st

	Contribution Rates	
	2024	2023
Member	8.25%	8.00%
Non-employer contributing agency	8.25%	8.00%
Employers	8.25%	8.00%

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools, and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 3 - Defined Pension Plan (continued)

Funding Policy (continued)

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate, times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year, reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities, or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.5 percent of the member's salary beginning in fiscal year 2020, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

HPS employee contributions to the system for the year ended June 30, 2024 and June 30, 2023 were \$23,240,081 and \$23,432,519, respectively and were equal to the required contributions for the year. Total covered payroll was \$283,359,107 and \$292,926,715. Amounts paid as pension surcharges and Non-OASDI for 2024 were \$52,015 and \$5,327,317, respectively. Amounts paid as pension surcharges and Non-OASDI required amounts in 2023 were \$74,400 and \$5,219,005, respectively.

Other contributions made from federal and private grants contributed at a rate of 8.0% and 7.75% for 2024 and 2023. Contributions totaled \$5,239,118 and \$4,956,669 for the years ended June 30, 2024 and 2023. The charter school's contributions into this plan do not represent more than 5% of the total contributions to the plan and the charter school was not assessed a surcharge. During fiscal years 2024 and 2023, the School also paid contributions related to amount above the statutory minimum totaling \$6,710,586 and \$6,732,129, respectively. Per the Texas Education Agency's request, HPS has recorded the amounts contributed by TRS on-behalf of each District's employees. The on-behalf contributions during fiscal year 2024 was \$10,903,838.

Note 4 - Defined Other Post-Employment Benefit Plan

Plan Description

The HPS participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 4 - Defined Other Post-Employment Benefit Plan (continued)

Plan Description (continued)

Similar to the TRS Pension Plan discussed in Note 3, charter schools are legally separate entities from the State and each other. Assets contributed by one charter or independent school district ("ISD") may be used for the benefit of an employee of another ISD or charter. The risk of participating in multi-employer OPEB plans is different from single-employer OPEB plans. Assets contributed to a multi-employer OPEB plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. There is no withdrawal penalty for leaving the TRS system. There is no collective-bargaining agreement. The TRS Annual Comprehensive Financial Report available dated August 31, 2023.

TRS Care Other Post-Employment Benefits (OPEB)	Total Plan Assets	TRS-Care Plan Fiduciary Net Position	Total OPEB Liability	Net OPEB Liability	Percent Funded
2023	\$ 4,101,873,929	\$ 3,889,765,203	\$ 26,028,070,267	\$ 22,138,305,064	14.94%
2022	3,308,391,215	3,117,937,218	27,061,942,520	23,944,005,302	11.52%
2021	2,733,911,371	2,539,242,470	41,113,711,083	38,574,468,613	6.18%
2020	2,146,681,144	1,996,317,932	40,010,833,815	38,014,515,883	4.99%
2019	1,475,508,564	1,292,022,349	48,583,247,239	47,291,224,890	2.66%

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; on the Internet at <https://www.trs.texas.gov/TRS%20Documents/acfr-2022.pdf>, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system.

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 4 - Defined Other Post-Employment Benefit Plan (continued)

Benefits Provided

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

TRS-Care Plan Premium Rates				
	Medicare		Non-Medicare	
Retiree or Surviving Spouse	\$	135	\$	200
Retiree and Spouse		529		689
Retiree or Surviving Spouse and Children		468		408
Retiree and Family		1,020		999

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates. Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is 0.75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	2024	2023
Active Employee	0.65%	0.65%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

In fiscal year 2024, HPS contributed a total of \$2,947,830 of which, \$2,196,404 was for federally funded employees. Employees contributed a total of \$1,841,844 and \$1,903,886 in fiscal years 2024 and 2023, respectively. Covered payroll for TRS-Care for fiscal years 2024 and 2023 was \$283,359,107 and \$292,926,715, respectively. In fiscal year 2023, HPS contributed a total of \$2,196,404 of which, \$1,978,188 was for federally funded employees. Per the Texas Education Agency’s request, HPS has recorded the amounts contributed by TRS on-behalf of each District’s employees. The on-behalf contributions during fiscal year 2024 was \$2,735,333.

Note 5 - Budget

The official school budget is prepared for adoption for required for all funds in the aggregate. The annual budget is adopted on a basis consistent with generally accepted accounting principles and is formally adopted by the Board of Directors.

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 6 - Investments

Investments presented below have been measured using Level 1 and Level 2 inputs as described in Note 2 L. above, Fair Value Measurements.

Fair Value Measurements as of June 30, 2024:

<u>Type of Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Totals</u>
Money Market/Commercial Paper	\$ 742,436	\$ -	\$ -	\$ 742,436
Certificates of Deposit	40,323,154	-	-	40,323,154
US Government Agencies	122,974,267	-	-	122,974,267
Total Investments at Fair Value:	<u>\$ 164,039,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,039,857</u>

Fair Value Measurements as of June 30, 2023 were as follows:

<u>Type of Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Totals</u>
Money Market/Commercial Paper	\$ 9,809,655	\$ -	\$ -	\$ 9,809,655
Certificates of Deposit	37,806,865	-	-	37,806,865
US Government Agencies	53,095,359	-	-	53,095,359
Total Investments at Fair Value:	<u>\$ 100,711,879</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,711,879</u>

Unrealized gains totaled \$1,956,682 in 2024. In fiscal year 2023, HPS unrealized gains of \$296,479

Certificate of Deposits

West Texas, North Texas, Houston North, and Houston South hold several certificates of deposits with six-month maturities that totaled \$40.3 million and \$38.8 million as of June 30, 2024 and June 30, 2023, respectively. The interest rates range from 0.03% to 3.18%. The certificates of deposit mature between May 2024 and November 2040.

Note 7 - Notes Payable

HPS's obligations under notes payable consist of the following:

On December 18, 2020, HPS entered into a loan under the Supplemental Master Trust Indenture No. 29. HPS can draw up to \$100,000,000 on the loan. On February 25, 2023, HPS amended the loan agreement maximum loan amount to \$150,000,000 and no case shall it exceed \$200,000,000. Interest is due and payable semi-annually on June and December of each year. As of June 30, 2024 and 2023, the balance of the loan was \$63,880,879 and \$107,719,040, respectively. The interest rate is 1.45% spread plus London Interbank Offered Rate (LIBOR) for one month. The line of credit matures in April 2026.

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 8 - Operating and Finance Leases

HPS accounts for leases in accordance with FASB ASC 842. HPS is the lessee for all of its leases.

At the inception of a contract, we assess whether the contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, HPS assess whether:

- The contract involved the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- HPS has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- HPS has the right to direct the use of the asset. HPS has the right when it has decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, HPS has the right to direct the use of the asset if either HPS has the right to operate the assets or HPS designed the asset in a way that predetermined how and for what purpose it will be used.

A contract may contain multiple lease components; if so, HPS allocates the consideration in a contract to each lease component based on each component's relative stand-alone price. HPS is required to account for the right-to-use land and other assets separately unless the effect of doing so would be insignificant to the overall accounting for the transaction.

After separate lease components are identified, HPS applies the following steps to each separate lease component:

- Determine the lease term, generally calculated beginning at the lease commencement date
- Determine the lease payments, which may include fixed payments, variable lease payments, amount HPS will probably owe under residual value guarantees and payments related to renewal or termination options that HPS are reasonably certain to exercise.
- Determine the discount rate for the lease based on information available at lease commencement. For HPS, the discount rate implicit in the lease unless that rate cannot be readily determined, in which case we are required to use the incremental borrowing rate which ranges from 3% to 5%.

Finance Leases

HPS classifies leases as finance leases if they are not short-term leases (see below) and they meet any of the following criteria:

- The lease transfers ownership of the underlying asset to HPS by the end of the lease term.
- The lease grants HPS an option to purchase the underlying asset that HPS is reasonably certain to exercise.
- The lease term is for a major part of the remaining economic life of the underlying asset. If the commencement date is at or near the end of the underlying asset's economic life, this test does not apply.
- The present value of the sum of (1) the lease payments and (2) any lessee residual value guarantee not reflected in the lease payments equal or exceed substantially all of the underlying asset's fair value.
- The underlying asset is of such specialized nature that is expected to have no alternative use to the lessor at the end of the lease term.

For finance leases, HPS recognizes a right-of-use (ROU) asset and a lease liability at lease commencement.

The finance lease ROU asset is initially measured at cost, which comprises the sum of (1) the initial amount of the finance lease liability, (2) initial direct costs incurred (incremental costs that would not have been incurred if the lease had not been obtained) and (3) any lease payments made before or at lease commencement, (4) reduced for any lease incentives received.

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 8 - Operating and Finance Leases (continued)

Finance Leases (continued)

Subsequent to commencement, HPS measures the ROU asset at cost, less accumulated amortization and any accumulated impairment losses.

HPS amortizes the finance ROU asset on a straight-line basis over the period from the commencement date to the earlier (1) the end of the useful life of the ROU asset or (2) the end of the lease term. However, if the lease transfers ownership of the underlying asset to us, or if we are reasonably certain to exercise a purchase option to acquire the underlying, HPS amortizes the ROU asset to the end of the underlying asset’s useful life. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The finance lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the discount rate determined at commencement. Subsequent to commencement, we measure the finance lease liability on an amortized cost basis using the effective interest method. The lease liability is remeasured when (1) there is a change in future lease payment arising from a change in a rate or index, (2) there is a change in the estimate of the amount HPS expects to pay under a residual value guarantee or (3) if we change our assessment of whether we will exercise a purchase , extension or termination option.

Finance lease ROU assets are included in property and equipment, net in the consolidated financial statement of HPS and in each District in the Statement of Financial Position. Finance lease liabilities are included in the current portion of long-term debt and long-term debt, net. Amortization on the ROU assets is included in the properly functional expense based on the use of the buildings.

HPS leases several buildings under twelve finance lease agreements. The leases expire in 2046 and 2048. The following is a schedule of future minimum payment required under HPS’s finance lease liabilities together with their present value as of June 30, 2024.

<u>Year Ending June 30</u>	
2025	\$ 6,654,546
2026	6,589,020
2027	6,460,573
2028	6,311,102
2029	6,212,059
Thereafter	<u>135,921,020</u>
Total Payments Due Under Finance	
Lease Liabilities	168,148,320
Less interest paid	<u>(74,304,597)</u>
Total Finance Lease Liabilities	<u><u>\$ 93,843,723</u></u>

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 8 - Operating and Finance Leases (continued)

Finance Leases (continued)

ROU assets under finance lease for fiscal years 2024 and 2023, net are as follows:

	FY 2024
Buildings	\$ 10,931,779
Accumulated amortization	<u>(19,650,265)</u>
	<u>\$ (8,718,486)</u>
	FY 2023
Buildings	\$ 102,124,280
Accumulated amortization	<u>(16,671,229)</u>
	<u>\$ 85,453,051</u>

Finance lease costs and cash paid for fiscal year 2024 is disclosed below:

Finance Lease Costs	
Amortization of right-of-use assets	\$ 3,192,076
Interest on lease liabilities	<u>4,716,907</u>
Total Financing Lease Costs	<u>\$ 7,908,983</u>

Cash Paid for Finance Leases	
Operating cash flows from finance leases (interest paid)	\$ 4,689,199
Financing cash flows from finance leases	<u>1,954,389</u>
Total Cash Paid for Finance Leases	<u>\$ 6,643,588</u>

Finance lease costs and cash paid for fiscal year 2023 is disclosed below:

Finance Lease Costs	
Amortization of right-of-use assets	\$ 3,212,430
Interest on lease liabilities	<u>4,799,626</u>
Total Financing Lease Costs	<u>\$ 8,012,056</u>

Cash Paid for Finance Leases	
Operating cash flows from finance leases (interest paid)	4,799,626
Financing cash flows from finance leases	<u>1,834,045</u>
Total Cash Paid For Finance Leases	<u>\$ 6,633,671</u>

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 8 - Operating and Finance Leases (continued)

Operating Leases

HPS classifies leases as operating leases if they are not short-term leases (see below) or finance lease (see above).

For operating leases, HPS recognizes the ROU asset and a lease liability at lease commencement; the initial liability and ROU asset are calculated the same for operating leases as described above for finance leases. Subsequent to commencement, HPS measures operating ROU assets at (1) the carrying amount of the operating lease liability, (2) plus unamortized initial direct costs and any prepaid lease payments, (3) less any accrued lease payments and the unamortized balance of any lease incentives received. However, if an operating lease ROU asset is impaired, HPS measures the ROU asset on a straight-line basis from the date of the impairment to the earlier of the end of the ROU asset's useful life or the end of the lease term. Operating lease ROU assets are included in property equipment since the operating leases pertain to buildings.

HPS has 11 buildings under 11 separate operating leases. The following is a schedule of future minimum payments required under HPS' operating lease liabilities together with their present value as of June 30, 2024.

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 4,547,591
2026	3,065,347
2027	875,702
2028	477,089
2029	479,203
Thereafter	<u>626,143</u>
Total Payments Due Under Operating Lease Liabilities	\$ 10,071,075
Less discount to present value	<u>(726,712)</u>
	<u><u>\$ 9,344,363</u></u>

Operating Lease Costs for FY 2024

Periodic lease cost	\$ 3,749,747
Change to lease liability	<u>(8,632,998)</u>
Adjustment to the right-of-use asset	<u><u>\$ (4,883,251)</u></u>
Rental Payments during fiscal year 2024	\$ 4,584,357
Accretion of lease liability	<u>498,774</u>
Decrease in operating lease liability	<u><u>\$ 5,083,131</u></u>
Beginning of operating lease liability	\$ 14,427,494
Decrease in operating lease liability	<u>(5,083,131)</u>
Ending operating lease liability as of June 30, 2024	<u><u>\$ 9,344,363</u></u>

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 8 - Operating and Finance Leases (continued)

Operating Leases (continued)

In 2023, HPS had lease modifications which increased the lease liability.

Operating Lease Costs for FY 2023	
Periodic lease cost	\$ 4,963,214
Accretion of lease liability	<u>7,281,308</u>
Adjustment to the right-of-use asset	<u>\$ (2,318,094)</u>
Rental Payments during fiscal year 2023	\$ 5,120,936
Accretion of lease liability	<u>(2,645,129)</u>
Decrease in operating lease liability	<u>\$ 2,475,807</u>
Beginning operating lease liability	\$ 16,903,301
Decrease in operating lease liability	<u>(2,475,807)</u>
Ending operating lease liability as of June 30, 2023	<u>\$ 14,427,494</u>

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>
Buildings, net	\$ 8,289,506	\$ 13,172,757

HPS cash paid for operating leases \$4,584,357 in fiscal year 2024 and \$5,120,936 in fiscal year 2023.

Note 9 - Restricted Cash

Restricted cash at June 30, 2024 and June 30, 2023, consisted of project fund, debt service fund, debt service reserve fund, and sinking fund bond cash accounts. These funds are to be solely used in the construction and acquisition of new facilities and repayment of bond liabilities and cannot be used for normal operating expenditures.

Note 10 - Bonds Payable

HPS has secured bond financing pursuant to Chapter 53 of the Texas Education Code of "Qualified Tax Exempt" Education Revenue Series Bonds, 2012A, 2014A, 2015, 2016A and 2017A in the amounts of: \$31,350,000; \$101,555,000; \$106,745,000; \$55,405,000; and \$40,540,000, respectively. HPS has also received proceeds from Taxable Educational Revenue Bonds, Q Series (Qualified School Construction Bonds) 2010Q, 2011Q, and 2014Q in the amounts of \$39,910,000; \$5,085,000; and \$8,880,000, respectively.

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 10 - Bonds Payable (continued)

The bonds are limited obligations of the issuer, payable solely from revenues received by the issuer pursuant to a loan agreement between the issuer and the borrower. During fiscal year 2024, HPS issued \$212.4 million in Education Revenue bonds. At issuance, the bonds carried a premium of \$0.3 million and issuance costs were \$6.7 million. Each of those items will be amortized over the life of the bonds. There were no new bonds in fiscal year 2023. The Bonds payable at June 30, 2024, consist of the following:

2010 Q Bonds, 8.13% interest; Principal is deposited annually to a sinking fund account; interest is due in semi-annual installments, commencing February 15, 2011; bond matures in 2027.	\$ 39,910,000
2011Q Bonds, 8.75% interest; principal is deposited annually to a sinking fund account; interest is due in semi-annual installments, commencing November 15, 2011; maturity dates range from 2014 to 2026.	5,085,000
2014A Bonds, 1.5% - 5% interest; principal due annually commencing February 15, 2015; interest due semi-annually commencing February 15, 2015; maturity dates range from 2015 to 2044.	76,865,000
2014Q Bonds, 4.733% interest; principal due annually commencing February 15, 2017; interest due semi-annually commencing February 15, 2015; maturity dates range from 2017 to 2036.	8,880,000
2015 Bonds, 2% - 5% interest; principal due annually commencing February 15, 2016; interest due semi-annually commencing February 15, 2016; maturity dates range from 2016 to 2041.	101,276,975
2016A Bonds, 2% - 5% interest; principal due annually commencing February 15, 2017; interest due semi-annually commencing August 15, 2016; maturity dates range from 2017 to 2046.	46,790,000
2017A Bonds, 3.0% - 5.0% interest; principal due annually commencing February 15, 2020; interest due in semi-annual installments, commencing February 15, 2018; maturity dates range from 2020 to 2047.	33,455,000
2021A Education Revenue Bonds (Tax Exempt), 3.0%-4.0%; principal due annually commencing February 15, 2024; interest due in semi-annual installments, commencing February 15, 2024.	145,930,000
2021B Ed Rev Bonds (Taxable) 3.0%-4.0%; principal due annually commencing February 15, 2024; interest due in semi-annual installments, commencing February 15, 2024.	2,180,000
2021C Ed Rev Refunding Bonds, 3.0%-4.0%; principal due annually commencing February 15, 2022; interest due in semi-annual installments, commencing February 15, 2022.	19,875,000
2024 Ed Rev Bonds, 4.0%-5.0%; principal due annually commencing February 15, 2025; interest due in semi-annual installments, commencing February 15, 2025.	<u>212,440,000</u>
Total	692,686,975
Plus original issue premium (unamortized)	47,139,848
Less issuance costs on debt (unamortized)	(17,482,012)
Less current portion of debt	<u>(10,875,001)</u>
	<u><u>\$ 711,469,810</u></u>

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 10 - Bonds Payable (continued)

Future maturities of bonds payable over the next five years are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 10,875,001	\$ 28,571,684	\$ 39,446,685
2026	17,385,000	31,089,092	48,474,092
2027	53,850,000	30,071,104	83,921,104
2028	20,135,000	26,175,016	46,310,016
2029	21,115,000	25,223,116	46,338,116
Thereafter	<u>569,326,974</u>	<u>261,384,522</u>	<u>830,711,496</u>
Total	<u>692,686,975</u>	<u>\$ 402,514,534</u>	<u>\$ 1,095,201,509</u>
Plus original issue premium	47,139,848		
Less issuance cost on debt	<u>(17,482,012)</u>		
Amount of Bonds Net of Discount and Premium	<u>\$ 722,344,811</u>		

Note 11 - Bond Sinking Fund Obligations

HPS is required to deposit amounts restricted to the repayment of principal into three sinking funds on an annual basis. The sinking funds are restricted to the retirement of debt issued with respect to the 2010Q series, 2011Q series, and 2014Q series of bonds. Future sinking fund obligations of notes payable are as follows:

<u>Year Ending June 30,</u>	<u>Deposits</u>
2025	\$ 2,549,404
2026	2,565,537
2027	2,776,470
2028	455,312
2029	465,556
Thereafter	<u>3,089,742</u>
Total	<u>\$ 11,902,021</u>

Note 12 - Bond Debt Covenants

The bond agreements contain certain restrictions and covenants. HPS is required to maintain a ratio of available revenue (without excluding any discretionary expenses incurred during the fiscal year) that must be equal to 1.10 times the annual debt service requirements. HPS's minimum available excess revenue requirements totaled \$36,758,947 and \$30,885,898 for fiscal years 2024 and 2023, respectively. For fiscal years 2024 and 2023, HPS met the covenant requirements holding available revenue of \$77.4 million and \$56.1 million, respectively. Additionally, HPS needs to maintain an operating reserve that covers 45 days of budgeted expenses at the end of each fiscal year. For the fiscal years 2024 and 2023, HPS was required to have \$68.6 million and \$64.5 million, respectively, in operating accounts. For 2024 and 2023, HPS met the covenant with an available cash balance of \$185.4 million and \$160.3 million.

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 13 - State Aid Revenue and State and Federal Receivables

During fiscal year 2024 and 2023, HPS earned approximately \$417.8 million and \$383.5 million in State Aid (Per Capita and Foundation School Program), which made up 76.0 percent and 76.3 percent of total revenue in 2024 and 2023, respectively. As of June 30, 2024 and 2023, HPS had outstanding receivables and the various are shown below.

	2024	2023
Due from TEA - Federal Grants	\$ 10,527,849	\$ 6,985,864
Due from TEA - State Aid	74,003,220	69,791,632
Due from TEA - State Grants	179,559	338,440
Due from Federal Government	4,967,309	9,078,552
Due from Other	3,353,173	4,584,688
	<u>\$ 93,031,110</u>	<u>\$ 90,779,176</u>

Note 14 - Commitments and Contingencies

HPS receives funds through state and federal programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to the Texas Education Agency and is subject to audit and adjustment. Expenses charged to federal programs are subject to audit and adjustment by the grantor agency. The programs administered by the charter school have complex compliance requirements, and should state or federal auditors discover areas of noncompliance, charter school funds may be subject to refund if so determined by the Texas Education Agency or the grantor agency.

Note 15 - Health Care Coverage

During the years ended June 30, 2024 and 2023, employees of HPS were covered by a group insurance plan. The money will make health benefits contributions towards the employee’s selected plan monthly as shown in the table below:

Role/Salary Band	HPS Contribution
0.5 and 1	\$825
2 and 3	\$625
4	\$425
5 and 6	\$325
Teacher	\$325
Non-exempt	\$325

Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer.

Note 16 - Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2024 and 2023 are as follows:

	As of June 30, 2024	As of June 30, 2023
Federal funds	\$ 13,187,522	\$ 10,650,950
State funds	99,781,834	91,722,136
Local funds	2,641,591	4,177,294
Total with Donor Restrictions	<u>\$ 115,610,947</u>	<u>\$ 106,550,380</u>

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 16 - Net Assets with Donor Restrictions (continued)

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	<u>For the Year Ended June 30, 2024</u>	<u>For the Year Ended June 30, 2023</u>
State funds	\$ 477,626,225	\$ 415,471,118
Federal funds	81,624,113	104,214,415
Total Restrictions Released	<u>\$ 559,250,338</u>	<u>\$ 519,685,533</u>

Note 17 - Lawsuits and Contingencies

HPS is subject to claims and lawsuits that arise in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position of the company.

Note 18 - Elimination Entries

<u>Description</u>	<u>Balance Before Eliminations</u>	<u>Eliminations</u>	<u>Consolidated Balance</u>
Revenue	\$ 631,810,587	\$ (33,162,121)	\$ 598,648,466
Expenses	595,095,957	(33,162,121)	561,933,836
Change in Operating Net Assets	<u>\$ 36,714,630</u>	<u>\$ -</u>	<u>\$ 36,714,630</u>

Eliminations consist of the following:

Central office allocation	\$ 32,194,629
Harmony Education Solutions	57,492
Rental income	910,000
Total	<u>\$ 33,162,121</u>

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 19 - Functional Expenses

The District’s expenses are coded directly to the functional category as established by the Texas Education Agency. Below expenses are reflected by functional category and natural classification or object class.

Expense by Functional Category	Expenses by Object Class						FY 2023
	Payroll Costs	Contracted Services	Supplies and Materials	Other Operating Costs	Debt (Interest and fees)	Total	
11 Instruction	\$ 253,770,752	\$ 11,373,873	\$ 18,745,789	\$ 2,404,194	\$ -	\$ 286,294,608	\$ 269,929,083
12 Instructional resources and media services	-	-	10,455	2,333	-	12,788	10,943
13 Curriculum development and instructional staff development	29,282,316	2,017,555	193,640	990,519	-	32,484,030	29,846,238
21 Instructional leadership	2,827,240	1,532,823	5,536	112,122	-	4,477,721	5,566,785
23 School leadership	45,203,824	54,517	856,874	1,863,052	-	47,978,267	43,293,099
31 Guidance, counseling and evaluation services	13,058,271	2,622,673	10,287	61,394	-	15,752,625	14,009,492
33 Health services	116,499	13,509	198,946	21,245	-	350,199	360,207
34 Student Transportation	-	1,606,121	-	-	-	1,606,121	1,326,797
35 Food service	2,883,819	15,484,837	543,875	482,125	-	19,394,656	15,842,748
36 Cocurricular/Extracurricular activities	13,335	518,833	1,408,727	3,265,824	-	5,206,719	5,204,132
41 General administration	23,180,853	5,914,968	425,754	5,370,646	-	34,892,221	31,252,181
51 Plant maintenance and operations	2,142,558	31,243,140	2,518,051	32,816,260	-	68,720,009	62,969,793
52 Security and monitoring services	126,963	5,001,549	63,983	90,094	-	5,282,589	3,815,816
53 Data processing services	5,878,650	4,072,999	86,887	851,616	-	10,890,152	8,690,645
61 Community services	-	-	-	-	-	-	4,470
71 Debt service	-	-	-	-	28,591,131	28,591,131	29,950,174
	<u>\$ 378,485,080</u>	<u>\$ 81,457,397</u>	<u>\$ 25,068,804</u>	<u>\$ 48,331,424</u>	<u>\$ 28,591,131</u>	<u>\$ 561,933,836</u>	<u>\$ 522,072,603</u>

Note 20 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Cash and cash equivalents	\$ 24,488,283	\$ 10,031,362
Receivables	3,353,173	4,584,688
	<u>\$ 27,841,456</u>	<u>\$ 14,616,050</u>

Per the Texas Education Agency, Foundation School Program revenues should be classified as revenue with donor restrictions. However, the funds do not have a time restriction, but must be used for education purposes in accordance with State law. As such, there are cash, investments and receivables that are due from the State and are available for use for educational purposes. As part of HPS’ liquidity management practice, we monitor the cash on daily and monthly basis and invest cash in excess of requirements in short-term investments and CDs.

Note 21 - Subsequent Events

As of the date of this report, HPS did not have any subsequent events to report.

HARMONY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS (continued)

Note 22 - Related Party Transactions.

HPS' success has received both national and international recognition for its curriculum, programs, training, operations and administration. The HPS Board finds that marketing of these products (i.e. intellectual property) would create revenue for HPS. As such, on February 22, 2020, the HPS Board approved the creation of the Harmony Education Solutions (HES), a limited liability company. The Board of HPS serves as the Board of HES. As of June 30, 2020, HES has received a license to sub-license Harmony's intellectual property and accompanying services. HPS applied to the Texas Education Agency for approval of the trademark licensing transaction between HES and HPS as required by Senate Bill 1454 passed by the Texas 86th Legislature. A percentage, ranging from 2 percent to 10 percent, of the licensing revenue generated by HES will be remitted to HPS. These payments will be considered related party transactions. Below are the revenues and expense for HES for fiscal years 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Revenues	\$ 1,033,436	\$ 1,023,096
Expenses	915,871	1,055,086
Operating Net Income	<u>\$ 117,565</u>	<u>\$ (31,990)</u>

During fiscal year 2024, 10% of certain HES revenues were remitted to HPS totaling \$36,661, which was eliminated as part of the consolidation process. Below are the total revenues and expenses of both HPS and HES after all eliminations:

	<u>HPS</u>	<u>HES</u>	<u>Elimination</u>	<u>HPS with Elimination of HES</u>
Revenues	\$ 598,648,466	\$ 1,033,436	\$ (57,492)	\$ 599,624,410
Expenses	561,933,836	915,871	(57,492)	562,792,215
Operating Net Income	<u>\$ 36,714,630</u>	<u>\$ 117,565</u>	<u>\$ -</u>	<u>\$ 36,832,195</u>

The assets and liabilities for fiscal year 2024 were \$402,437 and \$238,234, respectively. In fiscal year 2023, HES' assets and liabilities were \$175,652 and \$129,012, respectively.

Note 23 - Extraordinary Item

During fiscal year 2023, there were two buildings in North Texas that were damaged by flood. This was considered infrequent and unusual by management and as such, the gain of \$85,989 was considered extraordinary. The buildings were repaired and HPS determined that the assets were not impaired. There were no extraordinary items in fiscal year 2024.

**INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTARY INFORMATION**

To the Board of Directors of
Harmony Public Schools

We have audited the consolidated financial statements of Harmony Public Schools as of and for the year ended June 30, 2024, and our report thereon dated November 16, 2024, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules for individual charter schools beginning on page 33 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Whitley Penn LLP

Houston, Texas
November 16, 2024



HARMONY PUBLIC SCHOOLS
HOUSTON SOUTH
STATEMENT OF FINANCIAL POSITION
June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets:		
Cash	\$ 8,336,147	\$ 6,689,665
Restricted cash	10,187,701	9,074,638
Investments	11,316,898	10,411,370
Receivables	10,607,113	9,446,258
Other receivables	85,201	71,382
Prepays	69,195	121,791
Total Current Assets	<u>40,602,255</u>	<u>35,815,104</u>
Property and Equipment:		
Land	20,990,679	19,547,334
Buildings and improvements	66,522,834	65,692,786
Furniture and equipment	6,145,566	5,700,894
Construction in progress	2,832,204	889,219
	<u>96,491,283</u>	<u>91,830,233</u>
Less: Accumulated depreciation	<u>(32,367,386)</u>	<u>(29,534,382)</u>
	<u>64,123,897</u>	<u>62,295,851</u>
Total Assets	<u>\$ 104,726,152</u>	<u>\$ 98,110,955</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 1,137,912	\$ 923,359
Accrued liabilities	416,275	78,747
Wages payable	6,856,281	4,288,487
Payroll taxes payable	358,816	1,451,050
Interest payable	1,029,845	1,392,667
Deferred revenue	10,232	19,535
Current portion of bonds payable	1,235,768	1,699,497
Total Current Liabilities	<u>11,045,129</u>	<u>9,853,342</u>
Long-Term Liabilities:		
Notes payable net of current portion	14,128,605	13,505,304
Bonds payable net of premium, discount, issuance costs and current portion	<u>55,315,198</u>	<u>55,333,068</u>
Total Liabilities	<u>80,488,932</u>	<u>78,691,714</u>
Net Assets:		
Without donor restrictions	12,738,340	13,745,877
With donor restrictions	<u>11,498,880</u>	<u>5,673,364</u>
Total Net Assets	<u>24,237,220</u>	<u>19,419,241</u>
Total Liabilities and Net Assets	<u>\$ 104,726,152</u>	<u>\$ 98,110,955</u>

HARMONY PUBLIC SCHOOLS
HOUSTON SOUTH
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	2023
Revenues				
Local Support:				
5740	\$ 2,249,733	\$ -	\$ 2,249,733	\$ 2,057,859
5750	276,030	3,098	279,128	293,806
	Total Local Support	3,098	2,528,861	2,351,665
State Program Revenues:				
5810	-	41,774,704	41,774,704	38,351,558
5820	-	181,877	181,877	151,973
5830	-	2,087,875	2,087,875	12,461
	Total State Program Revenues	44,044,456	44,044,456	38,515,992
Federal Program Revenues:				
5910	-	750	750	-
5920	-	12,449,667	12,449,667	10,953,320
5930	-	594,718	594,718	221,319
5940	-	311,705	311,705	674,180
	Total Federal Program Revenues	13,356,840	13,356,840	11,848,819
Net Assets Released from Restrictions:				
	51,838,830	(51,838,830)	-	-
	Total Revenues	5,565,564	59,930,157	52,716,476
Expenses				
11	28,674,161	-	28,674,161	25,846,810
12	6,644	-	6,644	8,778
13	-	-	-	-
	4,125,188	-	4,125,188	3,709,413
21	532,514	-	532,514	400,449
23	4,820,284	-	4,820,284	4,142,065
31	1,628,738	-	1,628,738	1,690,034
33	68,426	-	68,426	16,377
34	-	-	-	-
35	1,459,365	-	1,459,365	1,234,542
36	490,569	-	490,569	503,201
41	2,928,566	-	2,928,566	2,609,745
51	6,512,541	-	6,512,541	5,703,435
52	613,662	-	613,662	394,631
53	837,980	-	837,980	799,590
71	2,673,492	-	2,673,492	3,180,882
	Total Expenses	-	55,372,130	50,239,952

HARMONY PUBLIC SCHOOLS
HOUSTON SOUTH
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2023</u>
Change in net assets from operations	\$ (1,007,537)	\$ 5,565,564	\$ 4,558,027	\$ 2,476,524
Non-Operating Revenues (Expenses)				
8989 Gain (Loss) on sale of investments	-	259,952	259,952	178,476
Total Non-Operating Revenues (Expenses)	-	259,952	259,952	178,476
Total change in net assets	<u>(1,007,537)</u>	<u>5,825,516</u>	<u>4,817,979</u>	<u>2,655,000</u>
Net Assets, Beginning of Year	<u>13,745,877</u>	<u>5,673,364</u>	<u>19,419,241</u>	<u>16,764,241</u>
Net Assets, End of Year	<u>\$ 12,738,340</u>	<u>\$ 11,498,880</u>	<u>\$ 24,237,220</u>	<u>\$ 19,419,241</u>

HARMONY PUBLIC SCHOOLS
HOUSTON SOUTH
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 4,817,979	\$ 2,655,000
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,833,004	2,677,459
Amortization - premium on bonds	(208,020)	(209,430)
Amortization - bond issuance costs	21,355	49,696
(Increase) Decrease in receivables	(1,160,855)	325,527
(Increase) Decrease in other receivables	(13,819)	64,209
(Increase) Decrease in prepaids	52,596	(21,089)
Increase (Decrease) in accounts payable	214,553	(303,126)
Increase (Decrease) in wages payable	2,567,794	417,830
Increase (Decrease) in payroll taxes payable	(1,092,234)	114,581
Increase (Decrease) in accrued liabilities	337,528	33,711
Increase (Decrease) in interest payable	(362,822)	322,799
Increase (Decrease) in deferred revenue	(9,303)	(79,992)
Net Cash Provided (Used) by Operating Activities	<u>7,997,756</u>	<u>6,047,175</u>
Cash Flows from Investing Activities		
Purchase of fixed assets	(4,661,050)	(15,317,586)
Purchase of investment	(905,528)	(1,110,566)
Net Cash Provided (Used) by Investing Activities	<u>(5,566,578)</u>	<u>(16,428,152)</u>
Cash Flows from Financing Activities		
Repayment of loans	(13,505,304)	(172,837)
Repayment of bonds	(1,180,809)	(1,114,611)
Proceeds from bonds	885,875	-
Proceeds from loans	14,128,605	13,505,304
Net Cash Provided (Used) by Financing Activities	<u>328,367</u>	<u>12,217,856</u>
Net increase (decrease) in cash	2,759,545	1,836,879
Cash at Beginning of Year	<u>15,764,303</u>	<u>13,927,424</u>
Cash at End of Year	<u>\$ 18,523,848</u>	<u>\$ 15,764,303</u>
Cash Per the Statement of Financial Position		
Cash	\$ 8,336,147	\$ 6,689,665
Restricted Cash	10,187,701	9,074,638
Total Cash per the Statement of Financial Position	<u>\$ 18,523,848</u>	<u>\$ 15,764,303</u>
Supplemental Disclosures		
Cash paid during the year for:		
Interest	<u>\$ 3,163,054</u>	<u>\$ 2,985,471</u>

HARMONY PUBLIC SCHOOLS
HOUSTON SOUTH
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Expenses		
6100 Payroll costs	\$ 36,639,623	\$ 32,491,653
6200 Professional and contracted services	9,241,567	8,753,130
6300 Supplies and materials	2,322,141	1,947,024
6400 Other operating costs	4,495,307	3,867,263
6500 Debt	<u>2,673,492</u>	<u>3,180,882</u>
Total Expenses	<u>\$ 55,372,130</u>	<u>\$ 50,239,952</u>

HARMONY PUBLIC SCHOOLS
HOUSTON SOUTH
SCHEDULE OF CAPITAL ASSETS
For the Year Ended June 30, 2024

		Ownership Interest		
		Local	State	Federal
1110	Cash	\$ 5,927,748	\$ 2,341,129	\$ 67,270
1120	Investments	-	11,316,898	-
1510	Land and improvements	-	20,990,679	-
1520	Buildings and improvements	-	66,522,834	-
1539	Furniture and equipment	-	5,966,506	179,060
1580	Construction in progress	-	2,832,204	-
Total Property and Equipment		\$ 5,927,748	\$ 109,970,250	\$ 246,330

HARMONY PUBLIC SCHOOLS
HOUSTON SOUTH
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2024

		<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance from</u>
		<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues					
Local Support:					
5740	Other Revenues from local sources	\$ 2,184,976	\$ 2,538,953	\$ 2,249,733	\$ (289,220)
5750	Revenue from curricular	241,907	321,527	279,128	(42,399)
Total Local Support		<u>2,426,883</u>	<u>2,860,480</u>	<u>2,528,861</u>	<u>(331,619)</u>
State Program Revenues:					
5810	Foundation School Program Act revenues	39,706,447	41,550,505	41,774,704	224,199
5820	State program revenues distributed by Texas Education Agency	386,101	268,106	181,877	(86,229)
5830	State program revenues from State of Texas Government Agencies	-	-	2,087,875	2,087,875
Total State Program Revenues		<u>40,092,548</u>	<u>41,818,611</u>	<u>44,044,456</u>	<u>2,225,845</u>
Federal Program Revenues:					
5910	Federal Revenues Distributed through Government Entities Other than State or Federal Agencies	-	-	750	750
5920	Federal revenues distributed by Texas Education Agency	12,443,015	13,057,760	12,449,667	(608,093)
5930	Federal revenue distributed by other state of Texas Government Agencies (other than TEA)	-	609,798	594,718	(15,080)
5940	Federal revenues distributed directly from the Federal Government	-	132,119	311,705	179,586
Total Federal Program Revenues		<u>12,443,015</u>	<u>13,799,677</u>	<u>13,356,840</u>	<u>(442,837)</u>
Total Revenues		<u>54,962,446</u>	<u>58,478,768</u>	<u>59,930,157</u>	<u>1,451,389</u>
Expenses					
11	Instruction	29,702,518	28,191,299	28,674,161	(482,862)
12	Instructional resources and media services	14,900	7,144	6,644	500
13	Curriculum development and instructional staff development	3,459,763	3,953,108	4,125,188	(172,080)
21	Instructional leadership	382,940	435,653	532,514	(96,861)
23	School leadership	4,110,682	4,597,652	4,820,284	(222,632)
31	Guidance, counseling and evaluation services	284,420	1,798,442	1,628,738	169,704
33	Health services	20,100	114,975	68,426	46,549
35	Food service	1,259,418	1,608,409	1,459,365	149,044
36	Cocurricular/Extracurricular activities	456,328	579,990	490,569	89,421
41	General administration	2,967,785	2,876,445	2,928,566	(52,121)
51	Plant maintenance and operations	7,202,173	7,035,859	6,512,541	523,318
52	Security and monitoring services	471,172	755,548	613,662	141,886
53	Data processing services	961,259	986,746	837,980	148,766
71	Debt service	2,722,042	2,680,584	2,673,492	7,092
Total Expenses		<u>54,015,500</u>	<u>55,621,854</u>	<u>55,372,130</u>	<u>249,724</u>
Non-Operating Revenues (Expenses)					
8989	Gain (Loss) on sale of investments	-	-	259,952	259,952
Total Non-Operating Revenues (Expenses)		<u>-</u>	<u>-</u>	<u>259,952</u>	<u>259,952</u>
Change in net assets		<u>946,946</u>	<u>2,856,914</u>	<u>4,817,979</u>	<u>1,961,065</u>
Net Assets, Beginning of Year as Restated		<u>19,419,241</u>	<u>19,419,241</u>	<u>19,419,241</u>	<u>-</u>
Net Assets, End of Year		<u>\$ 20,366,187</u>	<u>\$ 22,276,155</u>	<u>\$ 24,237,220</u>	<u>\$ 1,961,065</u>

HARMONY PUBLIC SCHOOLS
HOUSTON SOUTH
NOTES TO BUDGETARY COMPARISON SCHEDULE

Revenue/Expense Category	Explanation
5700	Change in budgeted and actual Interest Revenue. Change in budgeted and actual F 461 and F 240.
5800	Decrease in the Instructional Material Allotment.
5900	Increase in budget and actual for TSL, EIR, and Replication
Function 12	Instructional resource change in budgeted vs. actual supplies.
Function 13	Change in actual payroll & redistribution of F 282 from F 11 to F13. Change also due to payroll bonus and TRS On Behalf.
Function 21	Change due to payroll bonus and TRS On Behalf.
Function 23	Change in actual payroll & redistribution of F 282 from F 11 to F23. Change due to payroll bonus and TRS On Behalf.
Function 31	Change in actual payroll & redistribution of F 282 from F 11 to F31. Change due to payroll bonus and TRS On Behalf.
Function 33	Grant Fund 289 payroll Change (Region 4).
Function 35	F240 Contracted Svcs Change.
Function 36	Change in F461 & 420.
Function 52	Mandatory guard at every campus.
Function 53	IT Change in actual supplies.

HARMONY PUBLIC SCHOOLS
HOUSTON SOUTH
SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
For the Year Ended June 30, 2024

<u>Description (list each parcel separately)</u>	<u>Property Address</u>	<u>Total Assessed Value</u>	<u>Ownership Interest - Local</u>	<u>Ownership Interest - State</u>	<u>Ownership Interest - Federal</u>
RES B BLK 2 WESTWOOD CENTER SEC 1	9421 W SAM HOUSTON PKY S, Houston, TX 77099	\$ 8,233,028	\$ -	\$ 8,660,076	\$ -
RES B5-A BLK 2 WESTWOOD CENTER SEC 01	9421 W SAM HOUSTON PKY S, Houston, TX 77099	5,706,340	-	7,670,973	-
RES A BLK 1 HARMONY SCHOOL OF INGENUITY 5.2540 AC	10555 STELLA LINK RD, Houston, TX 77025	7,257,130	-	9,946,706	-
LTS 1 THRU 5 BLK 10 MARILYN ESTATES SEC 5 1.2856 AC	5435 S BRAESWOOD BLVD, Houston, TX 77096	1,316,321	-	1,377,467	-
RES F1-A SOUTH POINT BUSINESS PARK SEC 1	9115 KIRBY DR, Houston, TX 77054	10,557,328	-	12,101,645	-
RES F SOUTH POINT BUSINESS PARK SEC 1	0 KIRBY DR, Houston, TX 77054	472,356	-	-	-
RES B4 BLK 2 WESTWOOD CENTER SEC 1 4.6300 AC	9303 W SAM HOUSTON PKY S 77036	6,304,215	-	11,058,052	-
Note (1)	Note (1)	-	-	36,698,594	-
Total		\$ 39,846,718	\$ -	\$ 87,513,513	\$ -

Note (1) - Property is not owned by HPS. As such, the appraised value is not reflected for capitalized improvements.

HARMONY PUBLIC SCHOOLS

HOUSTON SOUTH

COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES

For the Year Ended June 30, 2024

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$4,853,002
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$2,186,267
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 891,000
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	\$ 314,829

HARMONY PUBLIC SCHOOLS
HOUSTON SOUTH
SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year Ended June 30, 2024

<u>Related Party Name</u>	<u>Name of Relation to the Related Party</u>	<u>Relationship</u>	<u>Type of Transaction</u>	<u>Description of Terms and Conditions</u>	<u>Source of Funds Used</u>	<u>Payment Frequency</u>	<u>Total Paid During FY</u>	<u>Principal Balance Due</u>
Harmony Education Solutions	The Board of Harmony Public Schools	Trademark Licensing	Financial	Sub-licensing Harmony Public Schools	N/A	N/A	\$ -	\$ -

HARMONY PUBLIC SCHOOLS
HOUSTON SOUTH
SCHEDULE OF COMPENSATION AND BENEFITS
For the Year Ended June 30, 2024

<u>Related Party Name</u>	<u>Name of Relation of the Related Party</u>	<u>Relationship</u>	<u>Compensation or Benefit</u>	<u>Payment Frequency</u>	<u>Description</u>	<u>Source of Funds Used</u>	<u>Total Paid During FY</u>
Harmony Education Solutions	The Board of Harmony Public Schools	Trademark Licensing	Compensation	Yearly	N/A	\$ -	\$ -

HARMONY PUBLIC SCHOOLS
CENTRAL TEXAS
STATEMENT OF FINANCIAL POSITION
June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets:		
Cash	\$ 5,760,293	\$ 6,013,444
Restricted cash	14,077,851	8,405,837
Investments	31,121,887	5,037,517
Receivables	8,964,732	10,012,214
Other receivables	38,615	100,178
Prepays	130,551	142,527
Total Current Assets	<u>60,093,929</u>	<u>29,711,717</u>
Property and Equipment:		
Land	11,523,364	12,733,189
Buildings and improvements	38,201,223	37,939,617
Furniture and equipment	6,016,644	5,362,452
Construction in progress	18,813,594	3,784,977
Finance lease right-of-use asset - building	947,604	921,888
	<u>75,502,429</u>	<u>60,742,123</u>
Less: Accumulated depreciation	(17,913,326)	(16,009,057)
Operating lease right-of-use asset, net	4,204,689	6,106,103
	<u>61,793,792</u>	<u>50,839,169</u>
Other Assets:		
Deposits	159,006	159,006
Total Assets	<u>\$ 122,046,727</u>	<u>\$ 80,709,892</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 6,291,289	\$ 1,370,589
Accrued liabilities	5,000	5,000
Wages payable	7,099,356	4,789,332
Payroll taxes payable	377,845	1,654,087
Interest payable	747,018	995,237
Deferred revenue	-	30,618
Current portion of lease liability	2,456,742	2,261,644
Current portion of bonds payable	717,737	987,901
Total Current Liabilities	<u>17,694,987</u>	<u>12,094,408</u>
Long-Term Liabilities:		
Lease liability net of current portion	2,908,631	5,365,586
Notes payable	11,299,088	12,819,233
Bonds payable net of premium, discount, issuance costs and current portion	75,064,154	35,150,022
Total Liabilities	<u>106,966,860</u>	<u>65,429,249</u>
Net Assets:		
Without donor restrictions	3,775,436	6,186,265
With donor restrictions	11,304,431	9,094,378
Total Net Assets	<u>15,079,867</u>	<u>15,280,643</u>
Total Liabilities and Net Assets	<u>\$ 122,046,727</u>	<u>\$ 80,709,892</u>

HARMONY PUBLIC SCHOOLS
CENTRAL TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	2023
Revenues				
Local Support:				
5740	\$ 1,155,360	\$ -	\$ 1,155,360	\$ 1,264,373
5750	270,177	226,097	496,274	504,751
	Total Local Support	226,097	1,651,634	1,769,124
State Program Revenues:				
5810	-	47,611,502	47,611,502	45,031,004
5820	-	174,448	174,448	236,515
5830	-	1,463,782	1,463,782	6,198
	Total State Program Revenues	49,249,732	49,249,732	45,273,717
Federal Program Revenues:				
5910	-	9,805	9,805	-
5920	-	6,294,244	6,294,244	9,367,083
5930	-	848,896	848,896	262,465
5940	-	242,784	242,784	870,272
	Total Federal Program Revenues	7,395,729	7,395,729	10,499,820
Net Assets Released from Restrictions:				
	54,807,891	(54,807,891)	-	-
	Total Revenues	2,063,667	58,297,095	57,542,661
Expenses				
11	29,547,598	-	29,547,598	28,965,770
12	488	-	488	-
13	3,268,231	-	3,268,231	3,082,363
21	337,963	-	337,963	281,643
23	5,115,470	-	5,115,470	4,890,302
31	1,676,440	-	1,676,440	1,286,238
33	7,370	-	7,370	15,932
34	710,824	-	710,824	670,664
35	2,333,766	-	2,333,766	1,624,857
36	598,065	-	598,065	490,685
41	3,572,454	-	3,572,454	3,326,693
51	8,307,542	-	8,307,542	7,932,988
52	441,941	-	441,941	110,062
53	851,485	-	851,485	687,081
71	1,874,620	-	1,874,620	2,242,160
	Total Expenses	-	58,644,257	55,607,438

HARMONY PUBLIC SCHOOLS
CENTRAL TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2023</u>
Change in net assets from operations	\$ (2,410,829)	\$ 2,063,667	\$ (347,162)	\$ 1,935,223
Non-Operating Revenues (Expenses)				
8989 Gain (Loss) on sale of investments	-	146,386	146,386	123,445
Total Non-Operating Revenues (Expenses)	-	146,386	146,386	123,445
Total Change in net assets	<u>(2,410,829)</u>	<u>2,210,053</u>	<u>(200,776)</u>	<u>2,058,668</u>
Net Assets, Beginning of Year	<u>6,186,265</u>	<u>9,094,378</u>	<u>15,280,643</u>	<u>13,221,975</u>
Net Assets, End of Year	<u>\$ 3,775,436</u>	<u>\$ 11,304,431</u>	<u>\$ 15,079,867</u>	<u>\$ 15,280,643</u>

HARMONY PUBLIC SCHOOLS
CENTRAL TEXAS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (200,776)	\$ 2,058,668
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	3,805,683	3,591,246
Amortization - premium on bonds	(119,960)	(119,960)
Amortization - bond issuance costs	26,513	26,513
(Increase) Decrease in accounts receivable	1,047,482	571,471
(Increase) Decrease in other receivables	61,563	130,413
(Increase) Decrease in prepaids	11,976	(27,140)
Increase (Decrease) in accounts payable	4,920,700	(3,965)
Increase (Decrease) in wages payable	2,310,024	141,999
Increase (Decrease) in payroll taxes payable	(1,276,242)	(10,510)
Increase (Decrease) in deferred revenue	(30,618)	(132,026)
Increase (Decrease) in interest payable	(248,219)	265,631
Net Cash Provided (Used) by Operating Activities	<u>10,308,126</u>	<u>6,492,340</u>
Cash Flows from Investing Activities		
Purchase of fixed assets	(14,760,306)	(3,663,044)
Purchase of investment	(26,084,370)	1,434,637
Net Cash Provided (Used) by Investing Activities	<u>(40,844,676)</u>	<u>(2,228,407)</u>
Cash Flows from Financing Activities		
Proceeds from bond	40,421,993	-
Proceeds from loan	(1,520,145)	2,393,921
Repayment of bonds	(684,578)	(647,912)
Payments on lease liability	(2,261,857)	(2,084,294)
Net Cash Provided (Used) by Financing Activities	<u>35,955,413</u>	<u>(338,285)</u>
Net increase (decrease) in cash	5,418,863	3,925,648
Cash at Beginning of Year	<u>14,419,281</u>	<u>10,493,633</u>
Cash at End of Year	<u>\$ 19,838,144</u>	<u>\$ 14,419,281</u>
Cash Per the Statement of Financial Position		
Cash	\$ 5,760,293	\$ 6,013,444
Restricted Cash	14,077,851	8,405,837
Total Cash per the Statement of Financial Position	<u>\$ 19,838,144</u>	<u>\$ 14,419,281</u>
Supplemental Disclosures		
Cash paid during the year for:		
Interest	<u>\$ 2,158,194</u>	<u>\$ 2,041,820</u>

HARMONY PUBLIC SCHOOLS
CENTRAL TEXAS
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Expenses		
6100 Payroll costs	\$ 37,468,826	\$ 36,209,767
6200 Professional and contracted services	13,630,613	10,699,638
6300 Supplies and materials	2,062,622	1,865,576
6400 Other operating costs	3,607,576	4,590,297
6500 Debt	<u>1,874,620</u>	<u>2,242,160</u>
Total Expenses	<u>\$ 58,644,257</u>	<u>\$ 55,607,438</u>

HARMONY PUBLIC SCHOOLS
CENTRAL TEXAS
SCHEDULE OF CAPITAL ASSETS
For the Year Ended June 30, 2024

		Ownership Interest		
		Local	State	Federal
1110	Cash	\$ 3,098,605	\$ 2,231,169	\$ 430,519
1120	Investments	-	31,121,887	-
1510	Land and improvements	-	11,523,364	-
1520	Buildings and improvements	1,275,318	36,697,705	228,200
1551	Finance lease right-of-use asset - building	-	947,604	-
1539	Furniture and equipment	43,871	5,914,108	58,665
1552	Operating lease right-of-use asset, net	-	4,204,689	-
1580	Construction in progress	-	18,813,594	-
Total Property and Equipment		\$ 4,417,794	\$ 111,454,120	\$ 717,384

HARMONY PUBLIC SCHOOLS
CENTRAL TEXAS
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2024

		<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance from</u>
		<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues					
Local Support:					
5740	Other Revenues from local sources	\$ 571,766	\$ 3,682,999	\$ 1,155,360	\$ (2,527,639)
5750	Revenue from curricular	460,152	586,966	496,274	(90,692)
Total Local Support		<u>1,031,918</u>	<u>4,269,965</u>	<u>1,651,634</u>	<u>(2,618,331)</u>
State Program Revenues:					
5810	Foundation School Program Act Revenues	47,782,188	47,176,540	47,611,502	434,962
5820	State program revenues distributed by Texas Education Agency	453,135	406,510	174,448	(232,062)
5830	State program revenues distributed directly from other state agencies	-	-	1,463,782	1,463,782
Total State Program Revenues		<u>48,235,323</u>	<u>47,583,050</u>	<u>49,249,732</u>	<u>1,666,682</u>
Federal Program Revenues:					
5910	Federal Revenues Distributed through Government Entities Other than State or Federal Agencies	-	-	9,805	9,805
5920	Federal revenues distributed by Texas Education Agency	6,204,324	6,592,859	6,294,244	(298,615)
5930	Federal revenue distributed by other state of Texas government agencies (other than TEA)	-	861,537	848,896	(12,641)
5940	Federal revenues distributed directly from the Federal Government	-	155,463	242,784	87,321
Total Federal Program Revenues		<u>6,204,324</u>	<u>7,609,859</u>	<u>7,395,729</u>	<u>(214,130)</u>
Total Revenues		<u>55,471,565</u>	<u>59,462,874</u>	<u>58,297,095</u>	<u>(1,165,779)</u>
Expenses					
11	Instruction	29,312,086	29,640,113	29,547,598	92,515
12	Instructional resources and media services	-	488	488	-
13	Curriculum development and instructional staff development	2,582,161	3,079,434	3,268,231	(188,797)
21	Instructional leadership	276,569	313,162	337,963	(24,801)
23	School leadership	4,364,998	5,146,858	5,115,470	31,388
31	Guidance, counseling and evaluation services	354,016	1,570,764	1,676,440	(105,676)
33	Health services	18,700	10,421	7,370	3,051
34	Student (pupil) transportation	615,000	749,500	710,824	38,676
35	Food service	1,587,686	2,270,710	2,333,766	(63,056)
36	Cocurricular/Extracurricular activities	390,935	637,415	598,065	39,350
41	General administration	3,392,592	3,541,902	3,572,454	(30,552)
51	Plant maintenance and operations	8,529,897	8,743,796	8,307,542	436,254
52	Security and monitoring services	207,778	551,247	441,941	109,306
53	Data processing services	929,857	956,209	851,485	104,724
71	Debt service	1,742,725	1,787,839	1,874,620	(86,781)
Total Expenses		<u>54,305,000</u>	<u>58,999,858</u>	<u>58,644,257</u>	<u>355,601</u>
Non-Operating Revenues (Expenses)					
8989	Gain (Loss) on sale of investments	-	-	146,386	146,386
Total Non-Operating Revenues (Expenses)		<u>-</u>	<u>-</u>	<u>146,386</u>	<u>146,386</u>
Change in net assets		<u>1,166,565</u>	<u>463,016</u>	<u>(200,776)</u>	<u>(663,792)</u>
Net Assets, Beginning of Year		<u>15,280,643</u>	<u>15,280,643</u>	<u>15,280,643</u>	<u>-</u>
Net Assets, End of Year		<u>\$ 16,447,208</u>	<u>\$ 15,743,659</u>	<u>\$ 15,079,867</u>	<u>\$ (663,792)</u>

HARMONY PUBLIC SCHOOLS
CENTRAL TEXAS
NOTES TO BUDGETARY COMPARISON SCHEDULE

Revenue/Expense Category	Explanation
5700	Change in budgeted and actual donation amount. Change in budgeted and actual F 461 and F 240.
5800	Change in budgeted and actual F 429, F 410, F 240.
5900	Increase in budget and actual for TSL, EIR, and Replication grant.
Function 13	Change in actual payroll & redistribution of F 282 from F 11 to F13. Also, Change due to payroll bonus and TRS On Behalf.
Function 21	Change due to payroll bonus and TRS On Behalf.
Function 23	F23. Also, Change due to payroll bonus and TRS On Behalf.
Function 31	Change in actual payroll & redistribution of F 282 from F 11 to F23. Also, Change due to payroll bonus and TRS On Behalf.
Function 33	Health change in budgeted vs. actual supplies.
Function 34	Should be \$749,500 - Change in budgeted vs. actual transportation.
Function 35	Lunch and Breakfast Contracted Svcs Change.
Function 36	Change in activity Fund expenditures.
Function 52	Mandatory guard at every campus.
Function 53	IT, change in actual payroll.

HARMONY PUBLIC SCHOOLS
CENTRAL TEXAS
SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
For the Year Ended June 30, 2024

<u>Description (list each parcel separately)</u>	<u>Property Address</u>	<u>Total Assessed Value</u>	<u>Ownership Interest - Local</u>	<u>Ownership Interest - State</u>	<u>Ownership Interest - Federal</u>
LOT A T S A ADDN	930 E RUNDBERG LN TX 78753	\$ 5,399,897	\$ 33,521	\$ 7,293,039	\$ -
S8861 - MACONDA PARK EAST SEC 1 BLK A RESUB (LT 1 BLK A RESU, BLOCK A, Lot 1B, ACRES 8.3017	13415 N FM 620, AUSTIN, TX 78759	21,490,672	-	16,236,049	-
LOT 3A BLK A ANDERSON MILL NAUMANN AMD LT 3 RESUB LTS 10 & 11 HATCH TRACT & LOT 6 BLK A ANDERSON MILL PARK	12200 ANDERSON MILL RD TX 78613	7,940,374	79,095	7,642,728	228,200
Note (1)	Note (1)	-	1,162,702	17,049,253	-
Total		\$ 34,830,943	\$ 1,275,318	\$ 48,221,069	\$ 228,200

Note (1) - Property is not owned by HPS. As such, the appraised value is not reflected for capitalized improvements.

HARMONY PUBLIC SCHOOLS

CENTRAL TEXAS

COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES

For the Year Ended June 30, 2024

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 4,250,182
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 1,724,612
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 1,303,012
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	\$ 729,963

HARMONY PUBLIC SCHOOLS
CENTRAL TEXAS
SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year Ended June 30, 2024

<u>Related Party Name</u>	<u>Name of Relation to the Related Party</u>	<u>Relationship</u>	<u>Type of Transaction</u>	<u>Description of Terms and Conditions</u>	<u>Source of Funds Used</u>	<u>Payment Frequency</u>	<u>Total Paid During FY</u>	<u>Principal Balance Due</u>
Harmony Education Solutions	The Board of Harmony Public Schools	Trademark Licensing	Financial	Sub-licensing Harmony Public Schools	N/A	N/A	\$ -	\$ -

HARMONY PUBLIC SCHOOLS
CENTRAL TEXAS
SCHEDULE OF COMPENSATION AND BENEFITS
For the Year Ended June 30, 2024

<u>Related Party Name</u>	<u>Name of Relation of the Related Party</u>	<u>Relationship</u>	<u>Compensation or Benefit</u>	<u>Payment Frequency</u>	<u>Description</u>	<u>Source of Funds Used</u>	<u>Total Paid During FY</u>
Harmony Education Solutions	The Board of Harmony Public Schools	Trademark Licensing			N/A		\$ -

HARMONY PUBLIC SCHOOLS
SOUTH TEXAS
STATEMENT OF FINANCIAL POSITION
June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets:		
Cash	\$ 10,295,127	\$ 7,367,037
Restricted cash	6,156,045	5,582,399
Investments	8,710,590	6,661,395
Receivables	11,375,476	12,302,435
Other receivables	90,221	589,770
Prepays	81,999	150,960
Total Current Assets	<u>36,709,458</u>	<u>32,653,996</u>
Property and Equipment:		
Land	14,062,589	14,062,589
Buildings and improvements	85,736,018	69,604,174
Furniture and equipment	7,559,903	6,877,508
Construction in progress	2,427,520	1,373,018
Finance lease right-of-use asset - building	485,908	486,626
	<u>110,271,938</u>	<u>92,403,915</u>
Less: Accumulated depreciation and amortization	(22,415,008)	(19,311,676)
Operating right-to-use asset, net	<u>1,083,427</u>	<u>1,929,080</u>
	88,940,357	75,021,319
Other Assets:		
Deposits	26,890	26,890
Total Assets	<u>\$ 125,676,705</u>	<u>\$ 107,702,205</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 3,482,652	\$ 2,320,591
Accrued liabilities	561,834	58,978
Wages payable	8,491,804	5,780,388
Payroll taxes payable	453,158	2,010,257
Interest payable	1,080,235	1,313,655
Deferred revenue	-	45,213
Current portion of lease liability	975,861	935,199
Current portion of bonds payable	1,067,383	1,279,095
Total Current Liabilities	<u>16,112,927</u>	<u>13,743,376</u>
Long-Term Liabilities:		
Lease liability net of current portion	474,016	1,448,512
Notes payable net of current portion	19,936,251	8,667,860
Bonds payable net of premium, discount, issuance costs and current portion	<u>67,742,402</u>	<u>65,701,015</u>
Total Liabilities	<u>104,265,596</u>	<u>89,560,763</u>
Net Assets:		
Without donor restrictions	3,420,798	5,032,535
With donor restrictions	17,990,311	13,108,907
Total Net Assets	<u>21,411,109</u>	<u>18,141,442</u>
Total Liabilities and Net Assets	<u>\$ 125,676,705</u>	<u>\$ 107,702,205</u>

HARMONY PUBLIC SCHOOLS
SOUTH TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	2023
Revenues				
Local Support:				
5740	\$ 2,261,571	\$ -	\$ 2,261,571	\$ 2,444,057
5750	422,929	142,316	565,245	507,915
	Total Local Support	142,316	2,826,816	2,951,972
State Program Revenues:				
5810	-	53,528,513	53,528,513	51,526,830
5820	-	244,420	244,420	140,970
5830	-	1,464,764	1,464,764	3,135
	Total State Program Revenues	55,237,697	55,237,697	51,670,935
Federal Program Revenues:				
5910	-	13,592	13,592	-
5920	-	12,937,403	12,937,403	14,408,408
5930	-	807,743	807,743	252,011
5940	-	400,372	400,372	1,048,936
	Total Federal Program Revenues	14,159,110	14,159,110	15,709,355
Net Assets Released from Restrictions:				
	64,847,607	(64,847,607)	-	-
	Total Revenues	4,691,516	72,223,623	70,332,262
Expenses				
11	35,233,235	-	35,233,235	35,992,491
12	3,060	-	3,060	95
13	4,464,174	-	4,464,174	4,420,997
21	364,119	-	364,119	276,216
23	6,543,753	-	6,543,753	5,754,491
31	1,872,559	-	1,872,559	1,725,879
33	90,913	-	90,913	83,846
34	239,229	-	239,229	247,521
35	2,989,015	-	2,989,015	2,482,604
36	595,408	-	595,408	574,730
41	3,924,166	-	3,924,166	3,505,933
51	8,184,016	-	8,184,016	7,398,095
52	659,796	-	659,796	696,254
53	989,218	-	989,218	959,379
71	2,991,183	-	2,991,183	2,976,599
	Total Expenses	-	69,143,844	67,095,130

HARMONY PUBLIC SCHOOLS
SOUTH TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>	<u>2023</u>
Change in net assets from operations	\$ (1,611,737)	\$ 4,691,516	\$ 3,079,779	\$ 3,237,132
Non-Operating Revenues (Expenses)				
8989 Gain (Loss) on sale of investments	-	189,888	189,888	155,062
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>189,888</u>	<u>189,888</u>	<u>155,062</u>
Total change in net assets	<u>(1,611,737)</u>	<u>4,881,404</u>	<u>3,269,667</u>	<u>3,392,194</u>
Net Assets, Beginning of Year	<u>5,032,535</u>	<u>13,108,907</u>	<u>18,141,442</u>	<u>14,749,248</u>
Net Assets, End of Year	<u>\$ 3,420,798</u>	<u>\$ 17,990,311</u>	<u>\$ 21,411,109</u>	<u>\$ 18,141,442</u>

HARMONY PUBLIC SCHOOLS
SOUTH TEXAS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 3,269,667	\$ 3,392,194
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization of right-to-use assets under leases	3,948,985	3,669,725
Amortization - premium on bonds	(262,569)	(262,569)
Amortization - bond issuance costs	59,686	59,686
(Increase) Decrease in receivables	926,959	569,580
(Increase) Decrease in other receivables	499,549	(429,139)
(Increase) Decrease in prepaids	68,961	(30,704)
Increase (Decrease) in accounts payable	1,162,061	(491,612)
Increase (Decrease) in wages payable	2,711,416	656,870
Increase (Decrease) in payroll taxes payable	(1,557,099)	129,783
Increase (Decrease) in accrued liabilities	502,856	4
Increase (Decrease) in interest payable	(233,420)	203,420
Increase (Decrease) in deferred revenue	(45,213)	(53,045)
Net Cash Provided (Used) by Operating Activities	<u>11,051,839</u>	<u>7,414,193</u>
Cash Flows from Investing Activities		
Purchase of fixed assets	(17,868,023)	(11,893,143)
Purchase of investment	(2,049,195)	909,773
Net Cash Provided (Used) by Investing Activities	<u>(19,917,218)</u>	<u>(10,983,370)</u>
Cash Flows from Financing Activities		
Payment on lease liability	(933,834)	(880,368)
Proceeds from bonds and reclassification of bonds	3,051,536	-
Repayment of bonds	(1,018,978)	(838,891)
Repayment of loans	11,268,391	7,740,479
Net Cash Provided (Used) by Financing Activities	<u>12,367,115</u>	<u>6,021,220</u>
Net increase (decrease) in cash	3,501,736	2,452,043
Cash at Beginning of Year	<u>12,949,436</u>	<u>10,497,393</u>
Cash at End of Year	<u>\$ 16,451,172</u>	<u>\$ 12,949,436</u>
Cash Per the Statement of Financial Position		
Cash	\$ 10,295,127	\$ 7,367,037
Restricted Cash	6,156,045	5,582,399
Total Cash per the Statement of Financial Position	<u>\$ 16,451,172</u>	<u>\$ 12,949,436</u>
Supplemental Disclosures		
Cash paid during the year for:		
Interest	<u>\$ 3,295,986</u>	<u>\$ 2,937,677</u>

HARMONY PUBLIC SCHOOLS
SOUTH TEXAS
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Expenses		
6100 Payroll costs	\$ 44,864,967	\$ 44,363,080
6200 Professional and contracted services	13,616,013	12,213,256
6300 Supplies and materials	2,474,197	2,330,427
6400 Other operating costs	5,197,484	5,211,768
6500 Debt	<u>2,991,183</u>	<u>2,976,599</u>
Total Expenses	<u>\$ 69,143,844</u>	<u>\$ 67,095,130</u>

HARMONY PUBLIC SCHOOLS
SOUTH TEXAS
SCHEDULE OF CAPITAL ASSETS
For the Year Ended June 30, 2024

		Ownership Interest		
		Local	State	Federal
1110	Cash	\$ 4,940,797	\$ 5,244,620	\$ 109,710
1120	Investments	-	8,710,590	-
1510	Land and improvements	-	14,062,589	-
1520	Buildings and improvements	60,542	85,568,600	106,876
1551	Right-of-use asset under finance lease	-	485,908	-
1552	Right-of-use asset under operating lease	-	1,083,427	-
1539	Furniture and equipment	8,240	7,526,382	25,281
1580	Construction in progress	-	2,427,520	-
Total Property and Equipment		\$ 5,009,579	\$ 125,109,636	\$ 241,867

HARMONY PUBLIC SCHOOLS
SOUTH TEXAS
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2024

		<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance from</u>
		<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues					
Local Support:					
5740	Other Revenues from local sources	\$ 1,110,500	\$ 2,746,897	\$ 2,261,571	\$ (485,326)
5750	Revenue from curricular	462,520	571,813	565,245	(6,568)
	Total Local Support	<u>1,573,020</u>	<u>3,318,710</u>	<u>2,826,816</u>	<u>(491,894)</u>
State Program Revenues:					
5810	Foundation School Program Act Revenues	51,806,312	52,940,535	53,528,513	587,978
5820	State program revenues distributed by Texas Education Agency	450,289	383,769	244,420	(139,349)
5830	State program revenues distributed directly from other State agencies	-	-	1,464,764	1,464,764
	Total State Program Revenues	<u>52,256,601</u>	<u>53,324,304</u>	<u>55,237,697</u>	<u>1,913,393</u>
Federal Program Revenues:					
5910	Federal Revenues Distributed through Government Entities Other than State or Federal Agencies	-	-	13,592	13,592
5920	Federal revenues distributed by Texas Education Agency	12,630,534	13,188,900	12,937,403	(251,497)
5930	Federal revenue distributed by other state of Texas government agencies (other than TEA)	-	827,866	807,743	(20,123)
5940	Federal revenues distributed directly from the Federal Government	-	314,046	400,372	86,326
	Total Federal Program Revenues	<u>12,630,534</u>	<u>14,330,812</u>	<u>14,159,110</u>	<u>(171,702)</u>
	Total Revenues	<u>66,460,155</u>	<u>70,973,826</u>	<u>72,223,623</u>	<u>1,249,797</u>
Expenses					
11	Instruction	36,466,219	35,841,215	35,233,235	607,980
12	Instructional resources and media services	100	4,260	3,060	1,200
13	Curriculum development and instructional staff development	3,136,741	4,045,106	4,464,174	(419,068)
21	Instructional leadership	254,564	298,710	364,119	(65,409)
23	School leadership	5,693,756	6,693,055	6,543,753	149,302
31	Guidance, counseling and evaluation services	280,514	1,821,052	1,872,559	(51,507)
33	Health services	107,170	89,237	90,913	(1,676)
34	Student transportation	163,500	265,464	239,229	26,235
35	Food service	2,260,855	2,812,698	2,989,015	(176,317)
36	Cocurricular/Extracurricular activities	515,547	679,840	595,408	84,432
41	General administration	3,599,256	3,880,370	3,924,166	(43,796)
51	Plant maintenance and operations	7,980,241	8,364,280	8,184,016	180,264
52	Security and monitoring services	664,559	789,105	659,796	129,309
53	Data processing services	1,205,911	1,135,512	989,218	146,294
71	Debt service	2,877,474	2,931,796	2,991,183	(59,387)
	Total Expenses	<u>65,206,407</u>	<u>69,651,700</u>	<u>69,143,844</u>	<u>507,856</u>
Non-Operating Revenues (Expenses)					
8989	Gain (Loss) on sale of investments	-	-	189,888	189,888
	Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>189,888</u>	<u>189,888</u>
	Change in net assets	<u>1,253,748</u>	<u>1,322,126</u>	<u>3,269,667</u>	<u>1,947,541</u>
	Net Assets, Beginning of Year	<u>18,141,442</u>	<u>18,141,442</u>	<u>18,141,442</u>	<u>-</u>
	Net Assets, End of Year	<u>\$ 19,395,190</u>	<u>\$ 19,463,568</u>	<u>\$ 21,411,109</u>	<u>\$ 1,947,541</u>

HARMONY PUBLIC SCHOOLS
SOUTH TEXAS
NOTES TO BUDGETARY COMPARISON SCHEDULE

Revenue/Expense Category	Explanation
5700	Change in budgeted and actual donation amount. Change in budgeted and actual F 461 and F 240.
5800	Change in budgeted and actual F 429, F 410, F 240.
5900	Increase in budget and actual for TSL, EIR, and Replication grant.
Function 12	Instructional resource change in budgeted vs. actual supplies.
Function 13	Change in budgeted and actual payroll & redistribution of F 282 from F 11 to F13. Also, Change due to payroll bonus and TRS On Behalf.
Function 21	Change due to payroll bonus and TRS On Behalf.
Function 23	Change in actual payroll & redistribution of F 282 from F 11 to F23. Also, Change due to payroll bonus and TRS On Behalf.
Function 31	Change in actual payroll & redistribution of F 282 from F 11 to F31. Also, Change due to payroll bonus and TRS On Behalf.
Function 33	Decrease in actual payroll.
Function 34	Change in actual transportation.
Function 35	Lunch and Breakfast Contracted Svcs Change.
Function 36	Change in activity Fund expenditures.
Function 52	Mandatory guard at every campus.
Function 53	IT change in budgeted vs. actual payroll & supplies

HARMONY PUBLIC SCHOOLS
SOUTH TEXAS
SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
For the Year Ended June 30, 2024

<u>Description (list each parcel separately)</u>	<u>Property Address</u>	<u>Total Assessed Value</u>	<u>Ownership Interest - Local</u>	<u>Ownership Interest - State</u>	<u>Ownership Interest - Federal</u>
NCB 19127 (NEW HARMONY SCIENCE ACADEMY), BLOCK 7 LOT 9	8505 LAKESIDE PKWY SAN ANTONIO, TX 78245	\$ 12,663,840	\$ -	\$ -	\$ -
CB 5073D BLK 22 LOT 1 (HARMONY SCHOOL SUBD)	GLEN MONT DR SAN ANTONIO, TX 78239	332,690	-	-	-
LOT 1-A BLK 488 ED REPLAT	4401 SAN FRANCISCO AVE LAREDO, TX 78041	5,034,830	-	-	-
MANN SUBDIVISION LOT 1 BLK 1	1124 CENTRAL BLVD BROWNSVILLE, TX	1,347,577	-	4,903,935	-
EL JARDIN SUBDIVISION SHARE 19 BLK 15, 10 ACRES OUT OF 40.2500 ACRES	3451 DANA AVE BROWNSVILLE, TX	4,126,821	-	9,514,143	-
LOT 1-B BLK 489 ED REPLAT	SAN FRANCISCO AVE LAREDO, TX 78040	4,021,480	-	6,287,930	-
NCB 17332 BLK 7 LOT 7 SELTZER SUBD UT 2	1263 SW LOOP 410 LAKESIDE PARKWAY	370	-	5,359,176	-
NCB 17332 BLK 7 LOT 2	1175 SW LOOP 410 LAKESIDE PARKWAY SAN ANTONIO, TX 78227	1,290	-	-	-
NCB 17332 BLK 7 LOT 3	LAKESIDE PARKWAY	1,040	-	-	-
NCB 17332 BLK 7 LOT 4	LAKESIDE PARKWAY	1,077,360	-	-	-
Note (1)	Note (1)	-	60,542	73,566,005	106,876
Total		<u>\$ 28,607,298</u>	<u>\$ 60,542</u>	<u>\$ 99,631,189</u>	<u>\$ 106,876</u>

Note (1) - Property is not owned by HPS. As such, the appraised value is not reflected for capitalized improvements.

HARMONY PUBLIC SCHOOLS

SOUTH TEXAS

COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES

For the Year Ended June 30, 2024

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district’s fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district’s fiscal year.	\$ 6,233,766
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA’s fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 3,054,065
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA’s fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA’s fiscal year.	\$ 1,130,329
AP8	List the actual direct program expenditures for bilingual education programs during the LEA’s fiscal year. (PIC 25)	\$ 632,350

HARMONY PUBLIC SCHOOLS
SOUTH TEXAS
SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year Ended June 30, 2024

<u>Related Party Name</u>	<u>Name of Relation to the Related Party</u>	<u>Relationship</u>	<u>Type of Transaction</u>	<u>Description of Terms and Conditions</u>	<u>Source of Funds Used</u>	<u>Payment Frequency</u>	<u>Total Paid During FY</u>	<u>Principal Balance Due</u>
Harmony Education Solutions	The Board of Harmony Public Schools	Trademark Licensing	Financial	Sub-licensing Harmony Public Schools	N/A	N/A	\$ -	\$ -

HARMONY PUBLIC SCHOOLS
SOUTH TEXAS
SCHEDULE OF COMPENSATION AND BENEFITS
For the Year Ended June 30, 2024

<u>Related Party Name</u>	<u>Name of Relation of the Related Party</u>	<u>Relationship</u>	<u>Compensation or Benefit</u>	<u>Payment Frequency</u>	<u>Description</u>	<u>Source of Funds Used</u>	<u>Total Paid During FY</u>
Harmony Education Solutions	The Board of Harmony Public Schools	Trademark Licensing			N/A		\$ -

HARMONY PUBLIC SCHOOLS
WEST TEXAS
STATEMENT OF FINANCIAL POSITION
June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets:		
Cash	\$ 10,505,293	\$ 5,400,125
Restricted cash	5,521,788	6,488,776
Investments	16,959,089	14,766,925
Receivables	11,044,302	10,517,286
Other receivables	933,584	949,959
Prepays	82,542	145,233
Total Current Assets	<u>45,046,598</u>	<u>38,268,304</u>
Property and Equipment:		
Land	12,814,735	10,158,225
Buildings and improvements	65,811,973	43,686,949
Furniture and equipment	9,982,185	8,176,925
Construction in progress	9,071,642	22,106,577
Finance lease right-of-use asset - building	22,520,266	22,732,379
	<u>120,200,801</u>	<u>106,861,055</u>
Less: Accumulated depreciation and amortization	(22,153,161)	(18,365,766)
Operating right-to-use asset, net	2,664,564	4,356,532
	<u>100,712,204</u>	<u>92,851,821</u>
Deposits	22,613	22,613
Total Assets	<u>\$ 145,781,415</u>	<u>\$ 131,142,738</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 6,658,976	\$ 4,706,356
Accrued liabilities	528,233	4,677
Wages payable	7,450,628	4,908,433
Payroll taxes payable	418,968	1,591,265
Interest payable	656,356	1,194,962
Deferred revenue	4,245	15,902
Current portion of lease liability	1,019,256	1,190,994
Current portion of bonds payable	2,663,736	318,951
Total Current Liabilities	<u>19,400,398</u>	<u>13,931,540</u>
Long-Term Liabilities:		
Lease liability	23,211,328	24,926,274
Notes payable	8,671,653	22,599,578
Bonds payable net of premium, discount, issuance costs and current portion	65,149,822	49,243,008
Total Liabilities	<u>116,433,201</u>	<u>110,700,400</u>
Net Assets:		
Without donor restrictions	7,511,104	3,248,531
With donor restrictions	21,837,110	17,193,807
Total Net Assets	<u>29,348,214</u>	<u>20,442,338</u>
Total Liabilities and Net Assets	<u>\$ 145,781,415</u>	<u>\$ 131,142,738</u>

HARMONY PUBLIC SCHOOLS
WEST TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>	<u>2023</u>
Revenues				
Local Support:				
5740	\$ 8,000,900	\$ -	\$ 8,000,900	\$ 1,970,382
5750	364,993	301,947	666,940	702,174
	<u>8,365,893</u>	<u>301,947</u>	<u>8,667,840</u>	<u>2,672,556</u>
Total Local Support				
State Program Revenues:				
5810	-	56,114,554	56,114,554	50,392,853
5820	-	168,355	168,355	238,134
5830	-	1,493,165	1,493,165	3,135
	<u>-</u>	<u>57,776,074</u>	<u>57,776,074</u>	<u>50,634,122</u>
Total State Program Revenues				
Federal Program Revenues:				
5910	-	10,723	10,723	-
5920	-	9,450,508	9,450,508	11,352,494
5930	-	866,077	866,077	363,588
5940	-	900,615	900,615	1,096,732
	<u>-</u>	<u>11,227,923</u>	<u>11,227,923</u>	<u>12,812,814</u>
Total Federal Program Revenues				
Net assets released from restrictions:				
	64,987,593	(64,987,593)	-	-
	<u>73,353,486</u>	<u>4,318,351</u>	<u>77,671,837</u>	<u>66,119,492</u>
Total Revenues				
Expenses				
11	33,070,458	-	33,070,458	31,696,438
13	4,319,694	-	4,319,694	3,881,525
21	439,521	-	439,521	323,681
23	6,057,473	-	6,057,473	5,577,000
31	1,436,382	-	1,436,382	1,169,741
33	29,293	-	29,293	37,211
34	201,610	-	201,610	52,235
35	2,648,521	-	2,648,521	2,349,823
36	558,723	-	558,723	633,823
41	3,755,372	-	3,755,372	3,539,922
51	10,961,693	-	10,961,693	8,649,087
52	769,423	-	769,423	706,312
53	1,010,335	-	1,010,335	1,037,754
71	3,832,415	-	3,832,415	3,287,722
	<u>69,090,913</u>	<u>-</u>	<u>69,090,913</u>	<u>62,942,274</u>
Total Expenses				

HARMONY PUBLIC SCHOOLS
WEST TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2023</u>
Change in net assets from operations	\$ 4,262,573	\$ 4,318,351	\$ 8,580,924	\$ 3,177,218
Non-Operating Revenues (Expenses)				
8989 Gain (Loss) on early extinguishment of bonds	-	324,952	324,952	(9,536)
Total Non-Operating Revenues (Expenses)	-	324,952	324,952	(9,536)
Total change in net assets	<u>4,262,573</u>	<u>4,643,303</u>	<u>8,905,876</u>	<u>3,167,682</u>
Net Assets, Beginning of Year	<u>3,248,531</u>	<u>17,193,807</u>	<u>20,442,338</u>	<u>17,274,656</u>
Net Assets, End of Year	<u>\$ 7,511,104</u>	<u>\$ 21,837,110</u>	<u>\$ 29,348,214</u>	<u>\$ 20,442,338</u>

HARMONY PUBLIC SCHOOLS
WEST TEXAS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 8,905,876	\$ 3,167,682
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization of right-to-use assets under leases	5,479,363	3,979,556
Amortization - premium on bonds	(163,712)	(198,189)
Amortization - bond issuance costs	(605,789)	73,685
(Increase) Decrease in accounts receivable	(527,016)	360,741
(Increase) Decrease in other receivables	16,375	87,102
(Increase) Decrease in prepaids	62,691	(31,035)
Increase (Decrease) in accounts payable	1,952,620	119,994
Increase (Decrease) in wages payable	2,542,195	401,539
Increase (Decrease) in payroll taxes payable	(1,172,297)	28,600
Increase (Decrease) in deferred revenue	(11,657)	(72,588)
Increase (Decrease) in accrued liabilities	523,556	4,677
Increase (Decrease) in interest payable	(538,606)	562,541
Net Cash Provided (Used) by Operating Activities	<u>16,463,599</u>	<u>8,484,305</u>
Cash Flows from Investing Activities		
Purchase of fixed assets	(13,339,746)	(31,824,438)
Sale of investment	(2,192,164)	387,027
Net Cash Provided (Used) by Investing Activities	<u>(15,531,910)</u>	<u>(31,437,411)</u>
Cash Flows from Financing Activities		
Repayment of loan	(13,927,925)	21,829,318
Repayment of bonds	19,021,100	(209,183)
Repayment of leases	(1,886,684)	425,487
Net Cash Provided (Used) by Financing Activities	<u>3,206,491</u>	<u>22,045,622</u>
Net increase (decrease) in cash	4,138,180	(907,484)
Cash at Beginning of Year	11,888,901	12,796,385
Cash at End of Year	<u>\$ 16,027,081</u>	<u>\$ 11,888,901</u>
Cash Per the Statement of Financial Position		
Cash	\$ 10,505,293	\$ 5,400,125
Restricted Cash	5,521,788	6,488,776
Total Cash per the Statement of Financial Position	<u>\$ 16,027,081</u>	<u>\$ 11,888,901</u>
Supplemental Disclosures		
Cash paid during the year for:		
Interest	<u>\$ 4,453,870</u>	<u>\$ 3,206,647</u>

HARMONY PUBLIC SCHOOLS
WEST TEXAS
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2024
(With Comparative Totals for) 2023

		<u>2024</u>	<u>2023</u>
Expenses			
6100	Payroll costs	\$ 41,429,920	\$ 40,231,314
6200	Professional and contracted services	14,851,943	12,055,755
6300	Supplies and materials	2,929,807	2,143,934
6400	Other operating costs	6,046,828	5,223,549
6500	Debt	3,832,415	3,287,722
Total Expenses		<u>\$ 69,090,913</u>	<u>\$ 62,942,274</u>

HARMONY PUBLIC SCHOOLS
WEST TEXAS
SCHEDULE OF CAPITAL ASSETS
For the Year Ended June 30, 2024

		Ownership Interest		
		Local	State	Federal
1110	Cash	\$ 1,175,356	\$ 8,044,253	\$ 1,285,684
1120	Investments	-	16,959,089	-
1510	Land and improvements	-	12,814,735	-
1520	Buildings and improvements	80,072	65,527,089	204,812
1551	Finance lease right-of-use asset - building	-	22,520,266	-
1552	Operating lease right-of-use asset, net	-	2,664,564	-
1539	Furniture and equipment	-	9,784,230	197,955
1580	Construction in progress	-	9,071,642	-
Total Property and Equipment		\$ 1,255,428	\$ 147,385,868	\$ 1,688,451

HARMONY PUBLIC SCHOOLS
WEST TEXAS
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2024

		<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget</u>
		<u>Original</u>	<u>Final</u>		
Revenues					
Local Support:					
5740	Other Revenues from local sources	\$ 727,962	\$ 8,254,323	\$ 8,000,900	\$ (253,423)
5750	Revenue from curricular	720,903	761,071	666,940	(94,131)
	Total Local Support	<u>1,448,865</u>	<u>9,015,394</u>	<u>8,667,840</u>	<u>(347,554)</u>
State Program Revenues:					
5810	Foundation School Program Act Revenues	53,872,794	55,112,254	56,114,554	1,002,300
5820	State program revenues distributed by Texas Education Agency	474,575	315,006	168,355	(146,651)
5830	State program revenues distributed directly from other state agencies	-	-	1,493,165	1,493,165
	Total State Program Revenues	<u>54,347,369</u>	<u>55,427,260</u>	<u>57,776,074</u>	<u>2,348,814</u>
Federal Program Revenues:					
5910	Federal Revenues Distributed through Government Entities Other than State or Federal Agencies	-	-	10,723	10,723
5920	Federal revenues distributed by Texas Education Agency	8,942,725	9,663,685	9,450,508	(213,177)
5930	Federal revenue distributed by other state of Texas government agencies (other than TEA)	-	888,311	866,077	(22,234)
5940	Federal revenues distributed directly from the Federal Government	-	729,141	900,615	171,474
	Total Federal Program Revenues	<u>8,942,725</u>	<u>11,281,137</u>	<u>11,227,923</u>	<u>(53,214)</u>
	Total Revenues	<u>64,738,959</u>	<u>75,723,791</u>	<u>77,671,837</u>	<u>1,948,046</u>
Expenses					
11	Instruction	33,168,209	33,049,780	33,070,458	(20,678)
13	Curriculum development and instructional staff development	2,878,087	4,089,854	4,319,694	(229,840)
21	Instructional leadership	304,919	374,080	439,521	(65,441)
23	School leadership	5,310,546	6,077,612	6,057,473	20,139
31	Guidance, counseling and evaluation services	293,682	1,414,566	1,436,382	(21,816)
33	Health services	49,700	34,909	29,293	5,616
34	Student transportation	201,200	207,469	201,610	5,859
35	Food service	2,211,035	2,952,829	2,648,521	304,308
36	Cocurricular/Extracurricular activities	631,520	676,993	558,723	118,270
41	General administration	3,563,105	3,840,053	3,755,372	84,681
51	Plant maintenance and operations	9,696,579	11,316,599	10,961,693	354,906
52	Security and monitoring services	817,164	927,650	769,423	158,227
53	Data processing services	1,164,235	1,153,007	1,010,335	142,672
71	Debt service	3,164,697	4,225,642	3,832,415	393,227
	Total Expenses	<u>63,454,678</u>	<u>70,341,043</u>	<u>69,090,913</u>	<u>1,250,130</u>
Non-Operating Revenues (Expenses)					
8989	Gain (Loss) on sale of investments	-	-	324,952	324,952
	Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>324,952</u>	<u>324,952</u>
	Change in net assets	<u>1,284,281</u>	<u>5,382,748</u>	<u>8,905,876</u>	<u>3,523,128</u>
	Net Assets, Beginning of Year as Restated	<u>20,442,338</u>	<u>20,442,338</u>	<u>20,442,338</u>	<u>-</u>
	Net Assets, End of Year	<u>\$ 21,726,619</u>	<u>\$ 25,825,086</u>	<u>\$ 29,348,214</u>	<u>\$ 3,523,128</u>

HARMONY PUBLIC SCHOOLS
WEST TEXAS
NOTES TO BUDGETARY COMPARISON SCHEDULE

Revenue/Expense Category	Explanation
5700	Change in budgeted and actual donation. Change in budgeted and actual F 461 and F 240.
5800	Change in budgeted and actual F 429, F 410, F 240.
5900	Increase in budget and actual for TSL, EIR, and Replication grant.
Function 13	Change in actual payroll & redistribution of F 282 from F 11 to F13.
Function 21	Change due to payroll bonus and TRS On Behalf.
Function 23	Change in actual payroll & redistribution of F 282 from F 11 to F23.
Function 31	Change in actual payroll & redistribution of F 282 from F 11 to F31.
Function 33	Change in budgeted vs. actual supplies.
Function 35	Lunch and Breakfast Contracted Svcs Change.
Function 36	Change in activity Fund expenditures.
Function 51	Change in Modular PERMI & Change in Depreciation 007H.
Function 52	Mandatory guard at every campus.
Function 53	IT change in budgeted vs. actual payroll & supplies.
Function 71	Change in 6529 007H.

HARMONY PUBLIC SCHOOLS
WEST TEXAS
SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
For the Year Ended June 30, 2024

<u>Description (list each parcel separately)</u>	<u>Property Address</u>	<u>Total Assessed Value</u>	<u>Ownership Interest - Local</u>	<u>Ownership Interest - State</u>	<u>Ownership Interest - Federal</u>
CMP FURN MACH	5210 FAIRBANKS DR EL PASO, TX 79924	\$ 1,293,410	\$ -	\$ 4,128,737	\$ -
NANCY L 5 THRU 10 & ADA HOOD BLK 1 L 6 THRU 10 & OL 1 BLK E SEC 2 AB 489	1516 53RD ST, LUBBOCK, TX 79412	2,270,829	-	4,288,279	-
Note (1)	Note (1)	-	80,072	69,924,808	-
Total		<u>\$ 3,564,239</u>	<u>\$ 80,072</u>	<u>\$ 78,341,824</u>	<u>\$ -</u>

Note (1) - Property is not owned by HPS. As such, the appraised value is not reflected for capitalized improvements.

HARMONY PUBLIC SCHOOLS

WEST TEXAS

COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES

For the Year Ended June 30, 2024

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district’s fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district’s fiscal year.	\$ 6,177,325
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA’s fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 2,482,183
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA’s fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA’s fiscal year.	\$ 895,838
AP8	List the actual direct program expenditures for bilingual education programs during the LEA’s fiscal year. (PIC 25)	\$ 470,508

HARMONY PUBLIC SCHOOLS

WEST TEXAS

SCHEDULE OF RELATED PARTY TRANSACTIONS

For the Year Ended June 30, 2024

<u>Related Party Name</u>	<u>Name of Relation to the Related Party</u>	<u>Relationship</u>	<u>Type of Transaction</u>	<u>Description of Terms and Conditions</u>	<u>Source of Funds Used</u>	<u>Payment Frequency</u>	<u>Total Paid During FY</u>	<u>Principal Balance Due</u>
Harmony Education Solutions	The Board of Harmony Public Schools	Trademark Licensing	Financial	Sub-licensing Harmony Public Schools	N/A	N/A	\$ -	\$ -

HARMONY PUBLIC SCHOOLS
WEST TEXAS
SCHEDULE OF COMPENSATION AND BENEFITS
For the Year Ended June 30, 2024

<u>Related Party Name</u>	<u>Name of Relation of the Related Party</u>	<u>Relationship</u>	<u>Compensation or Benefit</u>	<u>Payment Frequency</u>	<u>Description</u>	<u>Source of Funds Used</u>	<u>Total Paid During FY</u>
Harmony Education Solutions	The Board of Harmony Public Schools	Trademark Licensing			N/A		\$ -

HARMONY PUBLIC SCHOOLS
HOUSTON NORTH
STATEMENT OF FINANCIAL POSITION
June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets:		
Cash	\$ 12,384,907	\$ 9,316,681
Restricted cash	15,878,189	8,109,352
Investments	35,003,803	11,202,437
Receivables	15,577,332	14,956,520
Other receivables	263,724	306,438
Prepays	110,659	201,003
Total Current Assets	<u>79,218,614</u>	<u>44,092,431</u>
Property and Equipment:		
Land	35,251,230	35,251,230
Buildings and improvements	99,187,390	96,766,369
Furniture and equipment	11,931,793	9,826,254
Finance lease right-of-use asset - building	17,214,943	17,221,573
Construction in progress	52,004,526	9,292,910
	<u>215,589,882</u>	<u>168,358,336</u>
Less: Accumulated depreciation and amortization	(36,307,867)	(31,586,634)
Operating right-to-use asset, net	336,826	781,042
	<u>179,618,841</u>	<u>137,552,744</u>
Other Assets:		
Deposits	5,500	5,500
Total Assets	<u>\$ 258,842,955</u>	<u>\$ 181,650,675</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 10,387,759	\$ 3,915,099
Wages payable	11,407,837	7,559,124
Payroll taxes payable	597,373	2,554,182
Interest payable	1,769,583	2,179,517
Due to state	256	-
Deferred revenue	-	10,899
Current portion of lease liability	662,405	766,748
Current portion of bonds payable	1,457,515	1,580,261
Total Current Liabilities	<u>26,282,728</u>	<u>18,565,830</u>
Long-Term Liabilities:		
Lease liability	15,922,154	16,523,430
Notes payable net of current portion	71,904	23,338,625
Bonds payable net of premium, discount, issuance costs and current portion	185,009,750	102,148,886
Total Long-Term Liabilities	<u>201,003,808</u>	<u>142,010,941</u>
Total Liabilities	<u>227,286,536</u>	<u>160,576,771</u>
Net Assets:		
Without donor restrictions	9,602,695	6,353,527
With donor restrictions	21,953,724	14,720,377
Total Net Assets	<u>31,556,419</u>	<u>21,073,904</u>
Total Liabilities and Net Assets	<u>\$ 258,842,955</u>	<u>\$ 181,650,675</u>

HARMONY PUBLIC SCHOOLS
HOUSTON NORTH
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	2023
Revenues				
Local Support:				
5740	\$ 8,424,685	\$ -	\$ 8,424,685	\$ 3,187,270
5750	747,763	269,609	1,017,372	1,035,213
	Total Local Support	269,609	9,442,057	4,222,483
State Program Revenues:				
5810	-	77,805,055	77,805,055	70,287,827
5820	-	338,129	338,129	280,944
5830	-	2,215,943	2,215,943	119,134
	Total State Program Revenues	80,359,127	80,359,127	70,687,905
Federal Program Revenues:				
5910	-	11,323	11,323	-
5920	-	11,916,610	11,916,610	14,015,023
5930	-	1,164,356	1,164,356	315,115
5940	-	1,782,402	1,782,402	1,717,200
	Total Federal Program Revenues	14,874,691	14,874,691	16,047,338
Net assets released from restrictions:				
	88,536,697	(88,536,697)	-	-
	Total Revenues	6,966,730	104,675,875	90,957,726
Expenses				
11	49,426,529	-	49,426,529	45,756,530
12	1,606	-	1,606	966
13	5,695,431	-	5,695,431	5,124,629
21	403,591	-	403,591	288,812
23	8,581,840	-	8,581,840	7,393,206
31	2,139,157	-	2,139,157	1,984,556
33	51,904	-	51,904	122,912
34	451,188	-	451,188	331,807
35	3,217,994	-	3,217,994	2,717,972
36	759,412	-	759,412	920,160
41	5,020,527	-	5,020,527	4,530,506
51	11,309,542	-	11,309,542	10,279,325
52	981,805	-	981,805	715,711
53	1,395,034	-	1,395,034	1,272,605
71	5,024,417	-	5,024,417	5,509,969
	Total Expenses	-	94,459,977	86,949,666

HARMONY PUBLIC SCHOOLS
HOUSTON NORTH
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>	<u>2023</u>
Change in net assets from operations	\$ 3,249,168	\$ 6,966,730	\$ 10,215,898	\$ 4,008,060
Non-Operating Revenues (Expenses)				
8989 Gain (Loss) on sale of investments	-	266,617	266,617	(193,758)
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>266,617</u>	<u>266,617</u>	<u>(193,758)</u>
Total Change in Net Assets	<u>3,249,168</u>	<u>7,233,347</u>	<u>10,482,515</u>	<u>3,814,302</u>
Net Assets, Beginning of Year	<u>6,353,527</u>	<u>14,720,377</u>	<u>21,073,904</u>	<u>17,259,602</u>
Net Assets, End of Year	<u>\$ 9,602,695</u>	<u>\$ 21,953,724</u>	<u>\$ 31,556,419</u>	<u>\$ 21,073,904</u>

HARMONY PUBLIC SCHOOLS
HOUSTON NORTH
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 10,482,515	\$ 3,814,302
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	5,165,449	4,731,098
Amortization - premium on bonds	(327,882)	(466,543)
Amortization - bond issuance costs	(2,632,505)	99,608
(Increase) Decrease in receivables	(620,812)	347,238
(Increase) Decrease in other receivables	42,714	116,256
(Increase) Decrease in prepaids	90,344	(50,440)
Increase (Decrease) in deferred revenue	(10,899)	(116,321)
Increase (Decrease) in accounts payable	6,472,660	(2,058,060)
Increase (Decrease) in wages payable	3,848,713	990,601
Increase (Decrease) in payroll taxes payable	(1,956,809)	208,678
Increase (Decrease) in due to state	256	-
Increase (Decrease) in interest payable	(409,934)	518,856
Net Cash Provided (Used) by Operating Activities	<u>20,143,810</u>	<u>8,135,273</u>
Cash Flows from Investing Activities		
Purchase of fixed assets	(47,231,546)	(23,333,384)
Sale of investments	(23,801,366)	(2,369,335)
Net Cash Provided (Used) by Investing Activities	<u>(71,032,912)</u>	<u>(25,702,719)</u>
Cash Flows from Financing Activities		
Lease liability payment	(705,619)	(742,303)
Repayment of bonds	85,698,505	(1,036,410)
Proceeds from notes payable	(23,266,721)	15,882,194
Net Cash Provided (Used) by Financing Activities	<u>61,726,165</u>	<u>14,103,481</u>
Net increase (decrease) in cash	10,837,063	(3,463,965)
Cash at Beginning of Year	<u>17,426,033</u>	<u>20,889,998</u>
Cash at End of Year	<u>\$ 28,263,096</u>	<u>\$ 17,426,033</u>
Cash Per the Statement of Financial Position		
Cash	\$ 12,384,907	\$ 9,316,681
Restricted Cash	15,878,189	8,109,352
Total Cash per the Statement of Financial Position	<u>\$ 28,263,096</u>	<u>\$ 17,426,033</u>
Supplemental Disclosures		
Cash paid during the year for:		
Interest	<u>\$ 5,619,821</u>	<u>\$ 5,366,579</u>

HARMONY PUBLIC SCHOOLS
HOUSTON NORTH
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2024
(With Comparative Totals for 2024)

	<u>2024</u>	<u>2023</u>
Expenses		
6100 Payroll Costs	\$ 59,493,852	\$ 55,891,983
6200 Professional and Contracted Services	17,611,868	15,549,200
6300 Supplies and Materials	4,748,333	3,387,693
6400 Other Operating Costs	7,581,507	6,610,821
6500 Debt	5,024,417	5,509,969
	<u> </u>	<u> </u>
Total Expenses	<u>\$ 94,459,977</u>	<u>\$ 86,949,666</u>

HARMONY PUBLIC SCHOOLS
HOUSTON NORTH
SCHEDULE OF CAPITAL ASSETS
For the Year Ended June 30, 2024

		Ownership Interest		
		Local	State	Federal
1110	Cash	\$ 4,599,452	\$ 7,696,209	\$ 89,246
1120	Investments	-	35,003,803	-
1510	Land and improvements	-	35,251,230	-
1520	Buildings and improvements	452,955	98,729,162	5,273
1551	Finance lease right-of-use asset - building	-	17,214,943	-
1552	Operating lease right-of-use asset, net	-	336,826	-
1539	Furniture and equipment	-	11,356,682	575,111
1580	Construction in Progress	-	52,004,526	-
Total Property and Equipment		\$ 5,052,407	\$ 257,593,381	\$ 669,630

HARMONY PUBLIC SCHOOLS
HOUSTON NORTH
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2024

		<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget</u>
		<u>Original</u>	<u>Final</u>		
Revenues					
Local Support:					
5740	Other Revenues from local sources	\$ 796,328	\$ 5,435,742	\$ 8,424,685	\$ 2,988,943
5750	Revenue from curricular	1,042,170	1,178,370	1,017,372	(160,998)
Total Local Support		<u>1,838,498</u>	<u>6,614,112</u>	<u>9,442,057</u>	<u>2,827,945</u>
State Program Revenues:					
5810	Foundation School Program Act revenues	74,235,240	76,230,295	77,805,055	1,574,760
5820	State program revenues distributed by Texas Education Agency	626,354	761,923	338,129	(423,794)
5830	State program revenues distributed directly from other state agencies	-	-	2,215,943	2,215,943
Total State Program Revenues		<u>74,861,594</u>	<u>76,992,218</u>	<u>80,359,127</u>	<u>3,366,909</u>
Federal Program Revenues:					
5910	Federal Revenues Distributed through Government Entities Other than State or Federal Agencies	-	-	11,323	11,323
5920	Federal revenues distributed by Texas Education Agency	11,643,877	12,384,159	11,916,610	(467,549)
5930	Federal revenue distributed by other state of Texas government agencies (other than TEA)	-	1,195,330	1,164,356	(30,974)
5940	Federal revenues distributed directly from the Federal Government	-	1,506,842	1,782,402	275,560
Total Federal Program Revenues		<u>11,643,877</u>	<u>15,086,331</u>	<u>14,874,691</u>	<u>(211,640)</u>
Total Revenues		<u>88,343,969</u>	<u>98,692,661</u>	<u>104,675,875</u>	<u>5,983,214</u>
Expenses					
11	Instruction	46,789,317	48,748,796	49,426,529	(677,733)
12	Instructional resources and media services	7,400	2,206	1,606	600
13	Curriculum development and instructional staff development	4,012,678	5,304,258	5,695,431	(391,173)
21	Instructional leadership	264,429	310,161	403,591	(93,430)
23	School leadership	7,319,471	8,560,339	8,581,840	(21,501)
31	Guidance, counseling and evaluation services	1,195,543	2,237,654	2,139,157	98,497
33	Health services	71,100	57,549	51,904	5,645
34	Student (pupil) transportation	203,200	471,302	451,188	20,114
35	Food service	2,759,080	3,420,479	3,217,994	202,485
36	Cocurricular/Extracurricular activities	854,860	976,020	759,412	216,608
41	General administration	4,657,831	4,968,653	5,020,527	(51,874)
51	Plant maintenance and operations	11,218,165	11,520,420	11,309,542	210,878
52	Security and monitoring services	651,192	1,107,492	981,805	125,687
53	Data processing services	1,524,093	1,554,991	1,395,034	159,957
71	Debt service	5,122,226	4,895,940	5,024,417	(128,477)
Total Expenses		<u>86,650,585</u>	<u>94,136,260</u>	<u>94,459,977</u>	<u>(323,717)</u>
Change in net assets from operations		1,693,384	4,556,401	10,215,898	5,659,497
Non-Operating Revenues (Expenses)					
8989	Gain (Loss) on sale of investments	-	-	266,617	266,617
Total Non-Operating Revenues (Expenses)		<u>-</u>	<u>-</u>	<u>266,617</u>	<u>266,617</u>
Change in net assets		1,693,384	4,556,401	10,482,515	5,926,114
Net Assets, Beginning of Year as Restated		<u>21,073,904</u>	<u>21,073,904</u>	<u>21,073,904</u>	<u>-</u>
Net Assets, End of Year		<u>\$ 22,767,288</u>	<u>\$ 25,630,305</u>	<u>\$ 31,556,419</u>	<u>\$ 5,926,114</u>

HARMONY PUBLIC SCHOOLS
HOUSTON NORTH
NOTES TO BUDGETARY COMPARISON SCHEDULE

Revenue/Expense Category	Explanation
5700	Change in budgeted and actual property tax refund campus 009. Change in budgeted and actual F 461 and F 240.
5800	Change in budgeted and actual F 429, F 410, F 240.
5900	Increase in budget and actual for TSL, EIR, and Replication grant.
Function 12	Instructional resource change in budgeted vs. actual supplies.
Function 13	Change in actual payroll & redistribution of F 282 from F 11 to F13.
Function 21	Change due to payroll bonus and TRS On Behalf.
Function 23	Change in actual payroll & redistribution of F 282 from F 11 to F23.
Function 31	Change in actual payroll & redistribution of F 282 from F 11 to F31.
Function 33	Change in budgeted vs. actual supplies.
Function 34	Change in actual transportation.
Function 35	Lunch and Breakfast Contracted Svcs Change.
Function 36	Change in activity Fund expenditures.
Function 52	Mandatory guard at every campus.
Function 53	Change in actual payroll.

HARMONY PUBLIC SCHOOLS
HOUSTON NORTH
SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
For the Year Ended June 30, 2024

Description (list each parcel separately)	Property Address	Total Assessed Value	Ownership Interest - Local	Ownership Interest - State	Ownership Interest - Federal
RES D2 & D3-A BLK 4 BROOKHOLLOW WEST SEC 3	7340 N GESSNER DR, HOUSTON, X 77040	\$ 4,877,806	\$ -	\$ 13,700,831	\$ -
TR 3A ABST 522 S LEEPER 1.6424 AC	5668 W LITTLE YORK RD, HOUSTON, TX 77091	1,450,717	-	4,668,158	-
TOWNSHIRE, BLOCK 2, LOT 2 - 3, ACRES .18	2031 S TEXAS AVE TX	3,212,281	-	5,304,907	-
TOWNSHIRE, BLOCK 2, LOT 2 - 3, ACRES .18	3171 N SAM HOUSTON PKWY W, HOUSTON, TX 77038	8,321,631	-	13,950,537	-
RES A BLK 1 UNIVERSITY ACRES 5.5117 AC	3171 N SAM HOUSTON PKWY W, HOUSTON, TX 77038	3,858,311	-	-	-
RES A1 BLK 1 UNIVERSITY ACRES 3.6100 AC	3203 N SAM HOUSTON PKWY W, HOUSTON, TX 77043	8,031,930	-	17,660,941	-
RES A2 BLK 1 UNIVERSITY ACRES 4.6783 AC	N SAM HOUSTON PKY W 77038	1,630,296	-	7,280,880	5,273
RES A BLK 1 PTH PROPERTIES ONE	6270 BARKER CYPRESS RD, HOUSTON, TX 77084	5,887,380	-	10,037,263	-
Note (1)	Note (1)	-	452,955	61,376,875	-
Total		\$ 37,270,352	\$ 452,955	\$ 133,980,392	\$ 5,273

Note (1) - Property is not owned by HPS. As such, the appraised value is not reflected for capitalized improvements.

HARMONY PUBLIC SCHOOLS

HOUSTON NORTH

COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES

For the Year Ended June 30, 2024

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district’s fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district’s fiscal year.	\$ 7,856,849
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA’s fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 5,460,368
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA’s fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA’s fiscal year.	\$ 1,243,166
AP8	List the actual direct program expenditures for bilingual education programs during the LEA’s fiscal year. (PIC 25)	\$ 699,417

HARMONY PUBLIC SCHOOLS
HOUSTON NORTH
SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year Ended June 30, 2024

<u>Related Party Name</u>	<u>Name of Relation to the Related Party</u>	<u>Relationship</u>	<u>Type of Transaction</u>	<u>Description of Terms and Conditions</u>	<u>Source of Funds Used</u>	<u>Payment Frequency</u>	<u>Total Paid During FY</u>	<u>Principal Balance Due</u>
Harmony Education Solutions	The Board of Harmony Public Schools	Trademark Licensing	Financial	Sub-licensing Harmony Public Schools	N/A	N/A	\$ -	\$ -

HARMONY PUBLIC SCHOOLS
HOUSTON NORTH
SCHEDULE OF COMPENSATION AND BENEFITS
For the Year Ended June 30, 2024

<u>Related Party Name</u>	<u>Name of Relation of the Related Party</u>	<u>Relationship</u>	<u>Compensation or Benefit</u>	<u>Payment Frequency</u>	<u>Description</u>	<u>Source of Funds Used</u>	<u>Total Paid During FY</u>
Harmony Education Solutions	The Board of Harmony Public Schools	Trademark Licensing			N/A		\$ -

HARMONY PUBLIC SCHOOLS
NORTH TEXAS
STATEMENT OF FINANCIAL POSITION
June 30, 2024
(With Comparative Totals for 2023)

	2024	2023
Assets		
Current Assets:		
Cash	\$ 18,323,529	\$ 14,743,147
Restricted cash	11,440,563	12,730,215
Investments	47,169,138	39,671,660
Receivables	21,824,013	20,900,669
Other receivables	2,603,987	924,955
Prepays	170,289	319,883
Total Current Assets	101,531,519	89,290,529
Property and Equipment:		
Land	25,199,461	25,199,461
Buildings and improvements	159,207,783	142,953,562
Furniture and equipment	16,857,937	14,963,323
Construction in progress	7,424,753	5,233,575
Finance lease right-of-use asset - building	44,355,592	44,354,285
	253,045,526	232,704,206
Less: Accumulated depreciation and amortization	(67,959,465)	(60,275,506)
	185,086,061	172,428,700
Other Assets:		
Deposits	60,700	60,700
Total Assets	\$ 286,678,280	\$ 261,779,929
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 6,156,363	\$ 6,663,085
Accrued liabilities	1,098,559	47,779
Wages payable	16,619,198	11,028,449
Payroll taxes payable	890,751	3,818,012
Interest payable	2,131,956	2,662,293
Deferred revenue	5,000	34,874
Current portion of lease liability	708,051	695,995
Current portion of bonds payable	2,699,711	3,615,284
Total Current Liabilities	30,309,589	28,565,771
Long-Term Liabilities:		
Lease liability	39,982,550	40,495,227
Notes payable net of current portion	9,714,178	21,595,837
Bonds payable net of premium, discount, issuance costs and current portion	151,800,066	123,778,651
Total Long-Term Liabilities	201,496,794	185,869,715
Total Liabilities	231,806,383	214,435,486
Net Assets:		
Without donor restrictions	9,281,464	12,621,908
With donor restrictions	45,590,433	34,722,535
Total Net Assets	54,871,897	47,344,443
Total Liabilities and Net Assets	\$ 286,678,280	\$ 261,779,929

HARMONY PUBLIC SCHOOLS
NORTH TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	2023
Revenues				
Local Support:				
5740	\$ 4,241,725	\$ -	\$ 4,241,725	\$ 5,056,014
5750	904,252	418,711	1,322,963	1,424,338
	Total Local Support	418,711	5,564,688	6,480,352
State Program Revenues:				
5810	-	111,748,408	111,748,408	106,053,586
5820	-	346,183	346,183	496,985
5830	-	3,183,289	3,183,289	5,950
	Total State Program Revenues	115,277,880	115,277,880	106,556,521
Federal Program Revenues:				
5910	-	17,455	17,455	-
5920	-	18,826,332	18,826,332	19,869,555
5930	-	1,717,340	1,717,340	431,284
5940	-	1,763,444	1,763,444	1,728,333
	Total Federal Program Revenues	22,324,571	22,324,571	22,029,172
Net assets released from restrictions:				
	Restrictions satisfied by payments	128,321,051	(128,321,051)	-
	Total Revenues	133,467,028	143,167,139	135,066,045
Expenses				
11	Instruction	70,389,642	-	66,368,740
13	Curriculum development and instructional staff development	8,137,860	-	7,913,353
21	Instructional leadership	531,208	-	406,561
23	School leadership	11,803,106	-	11,022,185
31	Guidance, counseling and evaluation services	4,975,360	-	4,362,544
33	Health services	49,424	-	41,675
34	Student transportation	3,270	-	24,570
35	Food service	4,987,807	-	3,876,389
36	Cocurricular/Extracurricular activities	1,065,066	-	1,140,742
41	General administration	7,551,366	-	7,002,792
51	Plant maintenance and operations	16,320,638	-	15,267,708
52	Security and monitoring services	1,239,473	-	698,692
53	Data processing services	1,916,844	-	1,959,617
61	Community services	-	-	4,470
71	Debt service	7,836,408	-	8,268,299
	Total Expenses	136,807,472	136,807,472	128,358,337

HARMONY PUBLIC SCHOOLS
NORTH TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2023</u>
Change in net assets from operations	\$ (3,340,444)	\$ 9,700,111	\$ 6,359,667	\$ 6,707,708
Non-Operating Revenues (Expenses)				
7919 Extraordinary item	-	37,431	37,431	85,989
8989 Gain (Loss) on sale of investments	-	1,130,356	1,130,356	(346,074)
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>1,167,787</u>	<u>1,167,787</u>	<u>(260,085)</u>
Total Change in Net Assets	<u>(3,340,444)</u>	<u>10,867,898</u>	<u>7,527,454</u>	<u>6,447,623</u>
Net Assets, Beginning of Year	<u>12,621,908</u>	<u>34,722,535</u>	<u>47,344,443</u>	<u>40,896,820</u>
Net Assets, End of Year	<u>\$ 9,281,464</u>	<u>\$ 45,590,433</u>	<u>\$ 54,871,897</u>	<u>\$ 47,344,443</u>

HARMONY PUBLIC SCHOOLS
NORTH TEXAS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 7,527,454	\$ 6,447,623
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization asset under leases	7,683,959	7,247,087
Amortization - premium on bonds	(484,654)	(484,655)
Amortization - bond issuance costs	97,249	97,249
(Increase) Decrease in receivables	(923,344)	2,785,260
(Increase) Decrease in other receivables	(1,679,032)	(480,008)
(Increase) Decrease in prepaids	149,594	(62,370)
Increase (Decrease) in accounts payable	(506,722)	4,082,664
Increase (Decrease) in wages payable	5,590,749	716,768
Increase (Decrease) in payroll taxes payable	(2,927,261)	50,984
Increase (Decrease) in accrued liabilities	1,050,780	(179,421)
Increase (Decrease) deferred revenue	(29,874)	(206,250)
Increase (Decrease) in interest payable	(530,337)	464,430
Net Cash Provided (Used) by Operating Activities	<u>15,018,561</u>	<u>20,479,361</u>
Cash Flows from Investing Activities		
Purchase of fixed assets	(20,341,320)	(17,055,065)
Sale of investments	(7,497,478)	(6,056,525)
Net Cash Provided (Used) by Investing Activities	<u>(27,838,798)</u>	<u>(23,111,590)</u>
Cash Flows from Financing Activities		
Proceeds from bonds	30,068,896	-
Repayment of loans	(11,881,659)	10,093,420
Repayment of bonds	(2,575,649)	(2,371,074)
Payments on leases	(500,621)	(639,377)
Net Cash Provided (Used) by Financing Activities	<u>15,110,967</u>	<u>7,082,969</u>
Net increase (decrease) in cash	2,290,730	4,450,740
Cash at Beginning of Year	<u>27,473,362</u>	<u>23,022,622</u>
Cash at End of Year	<u>\$ 29,764,092</u>	<u>\$ 27,473,362</u>
Cash Per the Statement of Financial Position		
Cash	\$ 18,323,529	\$ 14,743,147
Restricted Cash	11,440,563	12,730,215
Total Cash per the Statement of Financial Position	<u>\$ 29,764,092</u>	<u>\$ 27,473,362</u>
Supplemental Disclosures		
Cash paid during the year for:		
Interest	<u>\$ 8,657,105</u>	<u>\$ 8,071,723</u>

HARMONY PUBLIC SCHOOLS
NORTH TEXAS
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Expenses		
6100 Payroll costs	\$ 87,515,110	\$ 82,770,539
6200 Professional and contracted services	24,610,643	23,100,632
6300 Supplies and materials	5,460,452	4,055,592
6400 Other operating costs	11,384,859	10,163,275
6500 Debt	<u>7,836,408</u>	<u>8,268,299</u>
Total Expenses	<u>\$ 136,807,472</u>	<u>\$ 128,358,337</u>

HARMONY PUBLIC SCHOOLS
NORTH TEXAS
SCHEDULE OF CAPITAL ASSETS
For the Year Ended June 30, 2024

	Ownership Interest		
	Local	State	Federal
Cash	\$ 4,860,718	\$ 11,744,484	\$ 1,718,327
Investments	-	47,169,138	-
Land and improvements	-	25,199,461	-
Buildings and improvements	71,079	159,046,609	90,095
Finance lease right-of-use asset - building	-	44,355,592	-
Furniture and equipment	119,836	15,745,826	992,275
Construction in progress	-	7,424,753	-
Total Property and Equipment	\$ 5,051,633	\$ 310,685,863	\$ 2,800,697

HARMONY PUBLIC SCHOOLS
NORTH TEXAS
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2024

		<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance from</u>
		<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues					
Local Support:					
5740	Other revenues from local sources	\$ 1,542,133	\$ 4,348,071	\$ 4,241,725	\$ (106,346)
5750	Revenue from curricular	1,405,559	1,492,765	1,322,963	(169,802)
Total Local Support		<u>2,947,692</u>	<u>5,840,836</u>	<u>5,564,688</u>	<u>(276,148)</u>
State Program Revenues:					
5810	Foundation School Program Act revenues	107,328,320	110,625,470	111,748,408	1,122,938
5820	State program revenues distributed by Texas Education Agency	898,519	701,912	346,183	(355,729)
5830	State program revenues distributed by Texas Education Agency	-	-	3,183,289	3,183,289
Total State Program Revenues		<u>108,226,839</u>	<u>111,327,382</u>	<u>115,277,880</u>	<u>3,950,498</u>
Federal Program Revenues:					
5910	Federal Revenues Distributed through Government Entities Other than State or Federal Agencies	-	-	17,455	17,455
5920	Federal revenues distributed by Texas Education Agency	18,018,702	18,743,580	18,826,332	82,752
5930	Federal revenue distributed by other state of Texas government agencies (other than TEA)	-	1,759,896	1,717,340	(42,556)
5940	Federal revenues distributed directly from the Federal Government	-	1,585,732	1,763,444	177,712
Total Federal Program Revenues		<u>18,018,702</u>	<u>22,089,208</u>	<u>22,324,571</u>	<u>235,363</u>
Total Revenues		<u>129,193,233</u>	<u>139,257,426</u>	<u>143,167,139</u>	<u>3,909,713</u>
Expenses					
11	Instruction	70,642,712	70,046,477	70,389,642	(343,165)
13	Curriculum development and instructional staff development	4,976,003	7,814,962	8,137,860	(322,898)
21	Instructional leadership	378,291	460,605	531,208	(70,603)
23	School leadership	10,080,237	12,073,473	11,803,106	270,367
31	Guidance, counseling and evaluation services	1,530,661	4,550,813	4,975,360	(424,547)
33	Health services	51,500	58,620	49,424	9,196
34	Student (pupil) transportation	5,000	3,270	3,270	-
35	Food service	4,014,450	4,972,209	4,987,807	(15,598)
36	Cocurricular/Extracurricular activities	1,132,700	1,317,740	1,065,066	252,674
41	General administration	7,167,424	7,458,283	7,551,366	(93,083)
51	Plant maintenance and operations	15,828,813	16,686,547	16,320,638	365,909
52	Security and monitoring services	547,886	1,494,224	1,239,473	254,751
53	Data processing services	2,104,201	2,155,742	1,916,844	238,898
71	Debt service	8,163,339	7,663,412	7,836,408	(172,996)
Total Expenses		<u>126,623,217</u>	<u>136,756,377</u>	<u>136,807,472</u>	<u>(51,095)</u>
Non-Operating Revenues (Expenses)					
7919	Extraordinary item	-	-	37,431	37,431
8989	Gain (Loss) on sale of investments	-	-	1,130,356	1,130,356
Total Non-Operating Revenues (Expenses)		<u>-</u>	<u>-</u>	<u>1,167,787</u>	<u>1,167,787</u>
Change in net assets		<u>2,570,016</u>	<u>2,501,049</u>	<u>7,527,454</u>	<u>5,026,405</u>
Net Assets, Beginning of Year		<u>47,344,443</u>	<u>47,344,443</u>	<u>47,344,443</u>	<u>-</u>
Net Assets, End of Year		<u>\$ 49,914,459</u>	<u>\$ 49,845,492</u>	<u>\$ 54,871,897</u>	<u>\$ 5,026,405</u>

HARMONY PUBLIC SCHOOLS
NORTH TEXAS
NOTES TO BUDGETARY COMPARISON SCHEDULE

Revenue/Expense Category	Explanation
5700	Change in budgeted and actual property tax refund & Interest Rev. Change in budgeted and actual F 461 and F 240.
5800	Change in budgeted and actual F 429, F 410, F 240.
5900	Increase in budget and actual for TSL, EIR, and Replication grant.
Function 13	Change in actual payroll & redistribution of F 282 from F 11 to F13.
Function 21	Change due to payroll bonus and TRS On Behalf.
Function 23	Change in actual payroll & redistribution of F 282 from F 11 to F23.
Function 31	Change in budgeted and actual payroll & redistribution of F 282 from F 11 to F31.
Function 33	Change in budgeted vs. actual supplies.
Function 34	Decrease in actual transportation.
Function 35	Lunch and Breakfast Contracted Svcs Change.
Function 36	Change in activity Fund expenditures.
Function 52	Mandatory guard at every campus.
Function 53	Change in actual payroll.

HARMONY PUBLIC SCHOOLS
NORTH TEXAS
SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
For the Year Ended June 30, 2024

Description (list each parcel separately)	Property Address	Total Assessed Value	Ownership Interest		
			Local	State	Federal
SKAGGS Block 1 Lot 1 Acres 4.885	1900 N VALLEY MILLS DR North Tx, TX 76710	\$ 2,523,330	\$ -	\$ 12,588,795	\$ -
FIREWHEEL BIBLE FELLOWSHIP 2 REP, BLK 1 LT 1R1 LESS ROW ACS 20.5558, INT 201000132710 DD05112010 CO-DC, 4810000101R00 2CG48100001	2302 FIREWHEEL PKWY, Garland, TX 75040	7,792,070	-	5,620,858	-
FORESTGATE INDUSTRIAL PARK REP, BLK B/8444 TR B.1 ACS 2.529, INT20070200128 DD05262007 CO-DC, 8444 00B 00B01 3DA8444 00B	11945 FORESTGATE DR, DALLAS, TX 75243	1,946,910	-	11,186,493	-
FORESTGATE INDUSTRIAL PARK REP, BLK B/8444 TR B ACS 3.051, IT201100141982 DD05252011 CO-DC, 8444 00B 00B00 3DA8444 00B	12005 FORESTGATE DR, DALLAS, TX 75243	2,976,590	-	-	-
HARMONY ADDITION PHASE 2 BLK A LOT 1	1024 W ROSEMEADE PKWY, Carrollton, TX 75007	13,223,321	-	23,014,149	-
HARMONY SCHOOL DALLAS (CDA), BLK C/8759, LOT 1	8080 PRESIDENT GEORGE BUSH HWY 75252	14,039,803	-	10,000,611	-
FIREWHEEL BIBLE FELLOWSHIP 2 REP, BLK 1 LT 1R1 LESS ROW ACS 20.5558, INT 201000132710 DD05112010 CO-DC, 4810000101R00 2CG48100001	2302 FIREWHEEL PKWY, Garland, TX 75040 SAME BUILDING WITH DIFFERENT ACCOUNT NUMBER	7,792,070	-	1,116,338	-
SOUTHWEST HILLS ADDITION Lot A4	5651 WESTCREEK DR, FORT WORTH, TX 76133	6,188,289	-	9,112,764	-
HARMONY SCHOOL, BLK 1 LT 1 ACS 5.305, INT200900228003 DD08052009 CO-DC, 0469788100100 5CP04697881	1102 NW 7TH ST, GRAND PRAIRIE, TX 75050	4,650,480	-	6,447,643	-
HARMONY, BLK E/8683 LT 1 ACS 17.6916, INT20080179207 DD05162008 CO-DC, 8683 00E 00100 5DA8683 00E	8120 W CAMP WISDOM RD, DALLAS, TX 75249	18,339,560	-	9,156,700	-
BLK 8683, TR 3 ACS 2.7594, INT20080179207 DD05162008 CO-DC, 8683 000 00300 5DA8683 000	8120 W CAMP WISDOM RD, DALLAS, TX 75249	120,180	-	-	-
BLK 8683, TR 4 ACS 0.438, INT201400139925 DD06052014 CO-DC, 8683 000 00300 5DA8683 000	8120 W CAMP WISDOM RD, DALLAS, TX 75249	6,570	-	-	-
HARMONY SCHOOL ADDITION Block 1 Lot 1	8100 S HULEN ST, Fort Worth, TX 76123	21,602,408	-	15,527,332	-
CHAPMAN J D Block 1 Lot 5 6 7 8 (HEB #6), Acres 4.3983	1110 S VALLEY MILLS DR North Tx, TX 76711	3,006,310	-	7,592,478	-
Note (1)	Note (1)	-	190,915	72,881,909	90,095
Total		\$ 104,207,891	\$ 190,915	\$ 184,246,070	\$ 90,095

Note (1) - Property is not owned by HPS. As such, the appraised value is not reflected for capitalized improvements.

HARMONY PUBLIC SCHOOLS

NORTH TEXAS

COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES

For the Year Ended June 30, 2024

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district’s fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district’s fiscal year.	\$ 10,708,852
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA’s fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 4,228,520
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA’s fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA’s fiscal year.	\$ 1,874,910
AP8	List the actual direct program expenditures for bilingual education programs during the LEA’s fiscal year. (PIC 25)	\$ 1,053,942

HARMONY PUBLIC SCHOOLS
NORTH TEXAS
SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year Ended June 30, 2024

<u>Related Party Name</u>	<u>Name of Relation to the Related Party</u>	<u>Relationship</u>	<u>Type of Transaction</u>	<u>Description of Terms and Conditions</u>	<u>Source of Funds Used</u>	<u>Payment Frequency</u>	<u>Total Paid During FY</u>	<u>Principal Balance Due</u>
Harmony Education Solutions	The Board of Harmony Public Schools	Trademark Licensing	Financial	Sub-licensing Harmony Public Schools	N/A	N/A	\$ -	\$ -

HARMONY PUBLIC SCHOOLS
NORTH TEXAS
SCHEDULE OF COMPENSATION AND BENEFITS
For the Year Ended June 30, 2024

<u>Related Party Name</u>	<u>Name of Relation of the Related Party</u>	<u>Relationship</u>	<u>Compensation or Benefit</u>	<u>Payment Frequency</u>	<u>Description</u>	<u>Source of Funds Used</u>	<u>Total Paid During FY</u>
Harmony Education Solutions	The Board of Harmony Public Schools	Trademark Licensing			N/A		\$ -

HARMONY PUBLIC SCHOOLS
HOUSTON WEST
STATEMENT OF FINANCIAL POSITION
June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets:		
Cash	\$ 10,586,017	\$ 7,426,183
Restricted cash	8,893,021	9,145,486
Investments	8,397,940	5,967,423
Receivables	12,680,588	11,869,122
Other receivables	35,435	363,530
Prepays	82,920	150,022
Total Current Assets	<u>40,675,921</u>	<u>34,921,766</u>
Property and Equipment:		
Land	10,079,696	10,079,696
Buildings and improvements	87,600,820	85,027,512
Furniture and equipment	10,083,105	8,366,279
Construction in progress	27,253,213	5,597,796
Right-of-use asset under finance leases	16,407,466	16,407,527
	<u>151,424,300</u>	<u>125,478,810</u>
Less: Accumulated depreciation and amortization	(25,935,162)	(21,559,033)
	<u>125,489,138</u>	<u>103,919,777</u>
Total Assets	<u>\$ 166,165,059</u>	<u>\$ 138,841,543</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 5,117,555	\$ 3,933,129
Accrued liabilities	689,308	12,741
Wages payable	9,164,759	5,826,280
Payroll taxes payable	438,312	1,945,132
Interest payable	1,309,461	1,362,037
Deferred revenue	-	1,162
Current portion of lease liability	419,403	400,352
Current portion of bonds payable	1,002,818	952,769
Total Current Liabilities	<u>18,141,616</u>	<u>14,433,602</u>
Long-Term Liabilities:		
Financing lease liability, net of current portion	14,447,689	14,806,368
Notes payable	59,200	4,758,617
Bonds payable net of premium, discount, issuance costs and current portion	109,659,484	85,072,755
Total Long-Term Liabilities	<u>124,166,373</u>	<u>104,637,740</u>
Total Liabilities	<u>142,307,989</u>	<u>119,071,342</u>
Net Assets:		
Without donor restrictions	5,571,623	7,728,346
With donor restrictions	18,285,447	12,041,855
Total Net Assets	<u>23,857,070</u>	<u>19,770,201</u>
Total Liabilities and Net Assets	<u>\$ 166,165,059</u>	<u>\$ 138,841,543</u>

HARMONY PUBLIC SCHOOLS
HOUSTON WEST
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

		<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>	<u>2023</u>
		<u>Restrictions</u>	<u>Restrictions</u>		
Revenues					
Local Support:					
5740	Other Revenues from local sources	\$ 1,746,577	\$ -	\$ 1,746,577	\$ 2,803,823
5750	Revenue from curricular	847,524	251,937	1,099,461	892,302
Total Local Support		<u>2,594,101</u>	<u>251,937</u>	<u>2,846,038</u>	<u>3,696,125</u>
State Program Revenues:					
5810	Foundation School Program Act revenues	-	62,663,103	62,663,103	56,231,088
5820	State program revenues distributed by Texas Education Agency	-	164,827	164,827	205,883
5830	State program revenues distributed directly from other state agencies	-	1,730,353	1,730,353	3,135
Total State Program Revenues		<u>-</u>	<u>64,558,283</u>	<u>64,558,283</u>	<u>56,440,106</u>
Federal Program Revenues:					
5910	Federal Revenues Distributed through Government Entities Other than State or Federal Agencies	-	41,360	41,360	-
5920	Federal revenues distributed by Texas Education Agency	-	7,568,654	7,568,654	7,781,170
5930	Federal revenue distributed by other state of Texas government agencies (other than TEA)	-	961,944	961,944	288,274
5940	Federal revenues distributed directly from the Federal Government	-	1,745,133	1,745,133	1,352,423
Total Federal Program Revenues		<u>-</u>	<u>10,317,091</u>	<u>10,317,091</u>	<u>9,421,867</u>
Net Assets Released from Restrictions:					
Restrictions satisfied by payments		<u>69,035,848</u>	<u>(69,035,848)</u>	<u>-</u>	<u>-</u>
Total Revenues		<u>71,629,949</u>	<u>6,091,463</u>	<u>77,721,412</u>	<u>69,558,098</u>
Expenses					
11	Instruction	39,955,567	-	39,955,567	35,264,259
12	Instructional resources and media services	990	-	990	1,104
13	Curriculum development and instructional staff development	3,740,867	-	3,740,867	3,501,601
21	Instructional leadership	95,756	-	95,756	10,182
23	School leadership	6,319,688	-	6,319,688	5,734,875
31	Guidance, counseling and evaluation services	2,017,625	-	2,017,625	1,779,827
33	Health services	52,869	-	52,869	42,254
35	Food service	1,756,066	-	1,756,066	1,553,003
36	Cocurricular/Extracurricular activities	1,139,476	-	1,139,476	940,791
41	General administration	3,461,917	-	3,461,917	3,406,259
51	Plant maintenance and operations	9,193,973	-	9,193,973	7,292,533
52	Security and monitoring services	528,554	-	528,554	462,160
53	Data processing services	1,253,015	-	1,253,015	1,122,158
71	Debt service	4,270,309	-	4,270,309	4,173,317
Total Expenses		<u>73,786,672</u>	<u>-</u>	<u>73,786,672</u>	<u>65,284,323</u>

HARMONY PUBLIC SCHOOLS
HOUSTON WEST
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2023</u>
Change in net assets from operations	\$ (2,156,723)	\$ 6,091,463	\$ 3,934,740	\$ 4,273,775
Non-Operating Revenues (Expenses)				
8989 Gain (Loss) on sale of investments	-	152,129	152,129	164,726
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>152,129</u>	<u>152,129</u>	<u>164,726</u>
Total Change in Net Assets	<u>(2,156,723)</u>	<u>6,243,592</u>	<u>4,086,869</u>	<u>4,438,501</u>
Net Assets, Beginning of Year	<u>7,728,346</u>	<u>12,041,855</u>	<u>19,770,201</u>	<u>15,331,700</u>
Net Assets, End of Year	<u>\$ 5,571,623</u>	<u>\$ 18,285,447</u>	<u>\$ 23,857,070</u>	<u>\$ 19,770,201</u>

HARMONY PUBLIC SCHOOLS
HOUSTON WEST
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 4,086,869	\$ 4,438,501
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization of assets and right-to-use assets	4,376,188	3,850,117
Amortization - premium on bonds	(352,146)	(303,470)
Amortization - bond issuance costs	93,119	93,120
(Increase) Decrease in receivables	(811,466)	(1,160,107)
(Increase) Decrease in other receivables	114,587	(260,976)
(Increase) Decrease in prepaids	67,102	(47,468)
Increase (Decrease) in accounts payable	1,184,426	(2,718,705)
Increase (Decrease) in wages payable	3,338,479	1,232,044
Increase (Decrease) in payroll taxes payable	(1,506,820)	368,716
Increase (Decrease) in accrued liabilities	676,567	(100,000)
Increase (Decrease) in deferred revenue	(1,162)	(89,563)
Increase (Decrease) in interest payable	(52,576)	79,040
Net Cash Provided (Used) by Operating Activities	<u>11,213,167</u>	<u>5,381,249</u>
Cash Flows from Investing Activities		
Purchase of fixed assets	(25,945,551)	(17,667,926)
Sale (Purchase) of investments	(2,430,517)	1,500,742
Net cash Provided (Used) by Investing Activities	<u>(28,376,068)</u>	<u>(16,167,184)</u>
Cash Flows from Financing Activities		
Proceeds from bonds and reclassification of bonds	26,650,598	-
Payments on leases	(921,173)	(381,691)
Repayment of bonds	(959,738)	(624,872)
Net repayment of note payable	(4,699,417)	2,306,264
Net Cash Provided (Used) by Financing Activities	<u>20,070,270</u>	<u>1,299,701</u>
Net increase (decrease) in cash	2,907,369	(9,486,234)
Cash at Beginning of Year	<u>16,571,669</u>	<u>26,057,903</u>
Cash at End of Year	<u>\$ 19,479,038</u>	<u>\$ 16,571,669</u>
Cash Per the Statement of Financial Position		
Cash	\$ 10,586,017	\$ 7,426,183
Restricted Cash	8,893,021	9,145,486
Total Cash per the Statement of Financial Position	<u>\$ 19,479,038</u>	<u>\$ 16,571,669</u>
Supplemental Disclosures		
Cash paid during the year for:		
Interest	<u>\$ 4,556,841</u>	<u>\$ 4,054,621</u>

HARMONY PUBLIC SCHOOLS
HOUSTON WEST
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Expenses		
6100 Payroll costs	\$ 46,248,733	\$ 42,638,649
6200 Professional and contracted services	11,914,008	10,248,387
6300 Supplies and materials	4,556,708	2,833,155
6400 Other operating costs	6,796,914	5,390,815
6500 Debt	<u>4,270,309</u>	<u>4,173,317</u>
Total Expenses	<u>\$ 73,786,672</u>	<u>\$ 65,284,323</u>

HARMONY PUBLIC SCHOOLS
HOUSTON WEST
SCHEDULE OF CAPITAL ASSETS
For the Year Ended June 30, 2024

		Ownership Interest		
		Local	State	Federal
1110	Cash	\$ 4,160,818	\$ 5,857,858	\$ 567,341
1120	Investments	-	8,397,940	-
1510	Land and improvements	-	10,079,696	-
1520	Buildings and improvements	350,672	87,195,862	54,286
1551	Right-of-use asset	-	16,407,466	-
1539	Furniture and equipment	36,049	9,805,278	241,778
1580	Construction in Progress	-	27,253,213	-
Total Property and Equipment		\$ 4,547,539	\$ 164,997,313	\$ 863,405

HARMONY PUBLIC SCHOOLS
HOUSTON WEST
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2024

		<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from Final Budget</u>
		<u>Original</u>	<u>Final</u>		
Revenues					
Local Support:					
5740	Other Revenues from local sources	\$ 963,367	\$ 1,634,996	\$ 1,746,577	\$ 111,581
5750	Revenue from curricular	904,754	1,073,112	1,099,461	26,349
	Total Local Support	<u>1,868,121</u>	<u>2,708,108</u>	<u>2,846,038</u>	<u>137,930</u>
State Program Revenues:					
5810	Foundation School Program Act revenues	56,888,116	61,837,512	62,663,103	825,591
5820	State program revenues distributed by Texas Education Agency	357,222	180,519	164,827	(15,692)
5830	State program revenue from State of Texas government agencies (other than TEA)	-	-	1,730,353	1,730,353
	Total State Program Revenues	<u>57,245,338</u>	<u>62,018,031</u>	<u>64,558,283</u>	<u>2,540,252</u>
Federal Program Revenues:					
5910	Federal Revenues Distributed through Government Entities Other than State or Federal Agencies	-	-	41,360	41,360
5920	Federal revenues distributed by Texas Education Agency	7,184,865	8,055,219	7,568,654	(486,565)
5930	Federal revenue distributed by other state of Texas government agencies (other than TEA)	-	986,183	961,944	(24,239)
5940	Federal revenues distributed directly from the Federal Government	-	1,436,655	1,745,133	308,478
	Total Federal Program Revenues	<u>7,184,865</u>	<u>10,478,057</u>	<u>10,317,091</u>	<u>(160,966)</u>
	Total Revenues	<u>66,298,324</u>	<u>75,204,196</u>	<u>77,721,412</u>	<u>2,517,216</u>
Expenses					
11	Instruction	35,943,406	39,619,450	39,955,567	(336,117)
12	Instructional resources and media services	1,400	5,917	990	4,927
13	Curriculum development and instructional staff development	2,232,759	3,296,535	3,740,867	(444,332)
21	Instructional leadership	-	256	95,756	(95,500)
23	School leadership	5,383,903	6,382,496	6,319,688	62,808
31	Guidance, counseling and evaluation services	963,555	1,899,780	2,017,625	(117,845)
33	Health services	42,300	162,561	52,869	109,692
35	Food service	1,561,935	1,932,671	1,756,066	176,605
36	Cocurricular/Extracurricular activities	933,082	1,311,575	1,139,476	172,099
41	General administration	3,311,020	3,364,240	3,461,917	(97,677)
51	Plant maintenance and operations	8,516,974	9,327,494	9,193,973	133,521
52	Security and monitoring services	335,203	820,358	528,554	291,804
53	Data processing services	1,313,567	1,379,619	1,253,015	126,604
71	Debt service	4,576,846	4,253,633	4,270,309	(16,676)
	Total Expenses	<u>65,115,950</u>	<u>73,756,585</u>	<u>73,786,672</u>	<u>(30,087)</u>
Non-Operating Revenues (Expenses)					
8989	Gain (Loss) on sale of investments	-	-	152,129	152,129
	Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>152,129</u>	<u>152,129</u>
	Change in net assets	<u>1,182,374</u>	<u>1,447,611</u>	<u>4,086,869</u>	<u>2,639,258</u>
	Net Assets, Beginning of Year	<u>19,770,201</u>	<u>19,770,201</u>	<u>19,770,201</u>	<u>-</u>
	Net Assets, End of Year	<u>\$ 20,952,575</u>	<u>\$ 21,217,812</u>	<u>\$ 23,857,070</u>	<u>\$ 2,639,258</u>

HARMONY PUBLIC SCHOOLS
HOUSTON WEST
NOTES TO BUDGETARY COMPARISON SCHEDULE

Revenue/Expense Category	Explanation
5700	Change in budgeted and actual Interest Rev. Change in budgeted and actual F 461 and F 240.
5800	Change in budgeted and actual F 429, F 410, F 240.
5900	Change in budgeted and actual CNS & Grants. Increase in budget and actual for TSL, EIR, and Replication grant.
Function 11	Change due to payroll bonus and TRS On Behalf.
Function 12	Instructional resource change in budgeted vs. actual supplies.
Function 13	Change in actual payroll & redistribution of F 282 from F 11 to F13. Also, change due to payroll bonus and TRS On Behalf.
Function 21	Change in actual F 288 TSL ITL. Also, change due to payroll bonus and TRS On Behalf.
Function 23	Change in actual payroll & redistribution of F 282 from F 11 to F23. Also, change due to payroll bonus and TRS On Behalf.
Function 31	Change in actual payroll & redistribution of F 282 from F 11 to F31. Also, change due to payroll bonus and TRS On Behalf.
Function 33	Grant Fund 289 payroll Change (Region 4).
Function 35	Lunch and Breakfast Contracted Svcs Change.
Function 36	Change in activity Fund expenditures.
Function 51	Change in actual 6248 & 6249.
Function 52	Mandatory guard at every campus.
Function 53	Change in actual payroll.

HARMONY PUBLIC SCHOOLS
HOUSTON WEST
SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
For the Year Ended June 30, 2024

<u>Description (list each parcel separately)</u>	<u>Property Address</u>	<u>Total Assessed Value</u>	<u>Ownership Interest - Local</u>	<u>Ownership Interest - State</u>	<u>Ownership Interest - Federal</u>
0101 JAS ALSTON, ACRES 5.006, Commercial Reserve A. The Shoppes At Eldridge Lake	13415 W Bellfort, Sugar Land, TX 77478	\$ 8,485,010	\$ -	\$ 8,084,515	\$ -
West Airport Commercial Subdivision Sec 1, BLOCK 1, ACRES 5.1, Reserve B-2 (Commercial), Replat	13522 W Airport BLVD, Sugar Land, TX 77478	4,831,120	-	15,666,000	-
Grand Corner Reserves, BLOCK 1, ACRES 8, Unrestricted Reserve A (Part), In Fort Bend ESD No 4, Grand Corner Reserves Partial Replat No 1	22400 Grand Corner DR, Katy, TX 77494	18,826,970	-	12,680,339	-
CALDWOOD PLAZA BLOCK 1	4055 CALDER BEAUMONT, TX	1,612,810	-	4,735,906	-
Note (1)	Note (1)	-	350,672	56,108,798	54,286
Total		<u>\$ 33,755,910</u>	<u>\$ 350,672</u>	<u>\$ 97,275,558</u>	<u>\$ 54,286</u>

Note (1) - Property is not owned by HPS. As such, the appraised value is not reflected for capitalized improvements.

HARMONY PUBLIC SCHOOLS

HOUSTON WEST

COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES

For the Year Ended June 30, 2024

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district’s fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district’s fiscal year.	\$ 5,205,893
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA’s fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 2,554,461
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA’s fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA’s fiscal year.	\$ 894,783
AP8	List the actual direct program expenditures for bilingual education programs during the LEA’s fiscal year. (PIC 25)	\$ 524,521

HARMONY PUBLIC SCHOOLS
HOUSTON WEST
SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year Ended June 30, 2024

<u>Related Party Name</u>	<u>Name of Relation to the Related Party</u>	<u>Relationship</u>	<u>Type of Transaction</u>	<u>Description of Terms and Conditions</u>	<u>Source of Funds Used</u>	<u>Payment Frequency</u>	<u>Total Paid During FY</u>	<u>Principal Balance Due</u>
Harmony Education Solutions	The Board of Harmony Public Schools	Trademark Licensing	Financial	Sub-licensing Harmony Public Schools	N/A	N/A	\$ -	\$ -

HARMONY PUBLIC SCHOOLS
HOUSTON WEST
SCHEDULE OF COMPENSATION AND BENEFITS
For the Year Ended June 30, 2024

<u>Related Party Name</u>	<u>Name of Relation of the Related Party</u>	<u>Relationship</u>	<u>Compensation or Benefit</u>	<u>Payment Frequency</u>	<u>Description</u>	<u>Source of Funds Used</u>	<u>Total Paid During FY</u>
Harmony Education Solutions	The Board of Harmony Public Schools	Trademark Licensing			N/A		\$ -

HARMONY PUBLIC SCHOOLS
CENTRAL OFFICE
STATEMENT OF FINANCIAL POSITION
June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets:		
Cash	\$ 1,337,870	\$ 2,505,831
Restricted cash	13,510	50,050
Investments	5,360,512	6,993,152
Receivables	957,554	774,672
Other receivables	4,557,014	583,124
Prepays	814,959	934,622
Total Current Assets	<u>13,041,419</u>	<u>11,841,451</u>
Property and Equipment:		
Buildings and improvements	3,815,535	3,134,621
Furniture and equipment	2,567,836	2,424,939
Construction in progress	993,429	-
	<u>7,376,800</u>	<u>5,559,560</u>
Less: Accumulated depreciation	<u>(3,057,053)</u>	<u>(2,688,894)</u>
	<u>4,319,747</u>	<u>2,870,666</u>
Other Assets:		
Deposits	3,297	3,297
Total Assets	<u>\$ 17,364,463</u>	<u>\$ 14,715,414</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 822,199	\$ 653,564
Accrued liabilities	528,864	122,383
Wages payable	4,439,626	2,283,160
Payroll taxes payable	325,549	871,470
Interest payable	24,447	24,171
Deferred revenue	274,144	85,446
Current portion of bonds payable	30,333	41,242
Total Current Liabilities	<u>6,445,162</u>	<u>4,081,436</u>
Long-term Liabilities:		
Notes payable net of current portion	-	433,986
Bonds payable net of premium, discount, issuance costs and current portion	1,728,935	1,408,182
Total Liabilities	<u>8,174,097</u>	<u>5,923,604</u>
Net Assets:		
Without donor restrictions	9,189,816	8,791,810
Total Net Assets	<u>9,189,816</u>	<u>8,791,810</u>
Total Liabilities and Net Assets	<u>\$ 17,363,913</u>	<u>\$ 14,715,414</u>

HARMONY PUBLIC SCHOOLS
CENTRAL OFFICE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	2023
Revenues				
Local Support:				
5740	\$ 33,242,552	\$ -	\$ 33,242,552	\$ 32,528,015
	Total Local Support	-	33,242,552	32,528,015
Federal Program Revenues:				
5940				
	-	3,847,463	3,847,463	5,845,230
	Total Federal Program Revenues	3,847,463	3,847,463	5,845,230
Net Assets Released from Restrictions:				
	3,847,463	(3,847,463)	-	-
	Total Revenues	-	37,090,015	38,373,245
Expenses				
11	320,252	-	320,252	355,757
13				
	4,751,065	-	4,751,065	4,245,840
21	1,532,899	-	1,532,899	3,214,673
23	29,700	-	29,700	49,809
31	6,364	-	6,364	10,673
35	2,122	-	2,122	3,558
41	23,800,055	-	23,800,055	22,150,134
51	2,045,770	-	2,045,770	4,461,112
52	47,935	-	47,935	31,994
53	4,250,372	-	4,250,372	2,441,007
71	88,287	-	88,287	311,226
	Total Expenses	-	36,874,821	37,275,783
	215,194	-	215,194	1,097,462
Non-Operating Revenues (Expenses)				
8989	182,812	-	182,812	133,819
	Total Non-Operating Revenues (Expenses)	-	182,812	133,819
	Total Change in Net Assets	-	398,006	1,231,281
	8,791,810	-	8,791,810	7,560,529
	Net Assets, Beginning of Year	-	8,791,810	7,560,529
	\$ 9,189,816	\$ -	\$ 9,189,816	\$ 8,791,810
	Net Assets, End of Year	-	9,189,816	8,791,810

HARMONY PUBLIC SCHOOLS
CENTRAL OFFICE
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 398,006	\$ 1,231,281
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	368,159	318,022
Amortization - premium on bonds	(7,445)	(7,482)
Amortization - bond issuance costs	1,172	1,172
(Increase) Decrease in receivables	(182,882)	(65,506)
(Increase) Decrease in other receivables	(3,973,890)	(535,273)
(Increase) Decrease in deposits	-	(3,297)
(Increase) Decrease in prepaids	119,663	84,396
Increase (Decrease) in accounts payable	168,635	(24,170)
Increase (Decrease) in wages payable	2,156,466	235,020
Increase (Decrease) in payroll taxes payable	(545,921)	62,241
Increase (Decrease) in accrued liabilities	406,481	(1,956,050)
Increase (Decrease) in interest payable	276	(53,867)
Increase (Decrease) in deferred revenue	188,698	85,446
Net Cash Provided (Used) by Operating Activities	<u>(902,582)</u>	<u>(628,067)</u>
Cash Flows from Investing Activities		
Purchase of fixed assets	(1,817,240)	(450,251)
Sale (purchase) of investments	1,632,640	(1,208,348)
Net Cash Provided (Used) by Investing Activities	<u>(184,600)</u>	<u>(1,658,599)</u>
Cash Flows from Financing Activities		
Proceeds from bonds	345,609	-
(Payments) on or proceeds from notes payable	(433,986)	275,000
Repayment of bonds	(28,942)	(27,012)
Net Cash Provided (Used) by Financing Activities	<u>(117,319)</u>	<u>247,988</u>
Net increase (decrease) in cash	(1,204,501)	(2,038,678)
Cash at Beginning of Year	2,555,881	4,594,559
Cash at End of Year	<u>\$ 1,351,380</u>	<u>\$ 2,555,881</u>
Cash Per the Statement of Financial Position		
Cash	\$ 1,337,870	\$ 2,505,831
Restricted Cash	13,510	50,050
Total Cash per the Statement of Financial Position	<u>\$ 1,351,380</u>	<u>\$ 2,555,881</u>
Supplemental Disclosures		
Cash paid during the year for:		
Interest	<u>\$ 57,011</u>	<u>\$ 70,185</u>

HARMONY PUBLIC SCHOOLS
CENTRAL OFFICE
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Expenses		
6100 Payroll costs	\$ 24,111,532	\$ 19,802,120
6200 Professional and contracted services	8,951,438	11,236,901
6300 Supplies and materials	514,354	683,950
6400 Other operating costs	3,209,210	5,241,586
6500 Debt	88,287	311,226
	<u>88,287</u>	<u>311,226</u>
Total Expenses	<u>\$ 36,874,821</u>	<u>\$ 37,275,783</u>

HARMONY PUBLIC SCHOOLS
CENTRAL OFFICE
SCHEDULE OF CAPITAL ASSETS
For the Year Ended June 30, 2024

		Ownership Interest		
		Local	State	Federal
1110	Cash	\$ 1,337,870	\$ 13,510	\$ -
1120	Investments	-	5,360,512	-
1520	Buildings and improvements	-	3,815,535	-
1539	Furniture and equipment	-	2,567,836	-
1580	Construction in progress	-	993,429	-
Total Property and Equipment		\$ 1,337,870	\$ 12,750,822	\$ -

HARMONY PUBLIC SCHOOLS
CENTRAL OFFICE
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2024

		<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance from</u>
		<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues					
Local Support:					
5740	Other Revenues from local sources	\$ 32,955,127	\$ 36,131,951	\$ 33,242,552	\$ (2,889,399)
	Total Local Support	<u>32,955,127</u>	<u>36,131,951</u>	<u>33,242,552</u>	<u>(2,889,399)</u>
Federal Program Revenues:					
5920	Federal revenues distributed by Texas Education Agency	150,937	231,417	-	(231,417)
5940	Federal revenues distributed directly from the Federal Government	1,723,995	4,219,721	3,847,463	(372,258)
	Total Federal Program Revenues	<u>1,874,932</u>	<u>4,451,138</u>	<u>3,847,463</u>	<u>(603,675)</u>
	Total Revenues	<u>34,830,059</u>	<u>40,583,089</u>	<u>37,090,015</u>	<u>(3,493,074)</u>
Expenses					
11	Instruction	406,817	376,817	320,252	56,565
12	Instructional resources and media services	-	-	-	-
13	Curriculum development and instructional staff development	4,256,066	5,261,445	4,751,065	510,380
21	Instructional leadership	1,100,808	1,935,072	1,532,899	402,173
23	School leadership	37,729	37,729	29,700	8,029
31	Guidance, counseling and evaluation services	8,084	8,084	6,364	1,720
33	Health services	-	80,480	-	80,480
35	Food services	2,695	2,695	2,122	573
41	General administration	22,095,628	25,668,932	23,800,055	1,868,877
51	Plant maintenance and operations	3,660,267	3,699,670	2,045,770	1,653,900
52	Security and monitoring services	55,078	85,078	47,935	37,143
53	Data processing services	3,124,887	3,337,367	4,250,372	(913,005)
71	Debt service	82,000	89,721	88,287	1,434
	Total Expenses	<u>34,830,059</u>	<u>40,583,090</u>	<u>36,874,821</u>	<u>3,708,269</u>
Non-Operating revenues (expenses)					
8989	Gain (Loss) on sale of investments	-	-	182,812	182,812
	Total Non-Operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>182,812</u>	<u>182,812</u>
	Change in net assets	-	(1)	398,006	398,007
	Net Assets, Beginning of Year	<u>8,791,810</u>	<u>8,791,810</u>	<u>8,791,810</u>	<u>-</u>
	Net Assets, End of Year	<u>\$ 8,791,810</u>	<u>\$ 8,791,809</u>	<u>\$ 9,189,816</u>	<u>\$ 398,007</u>

HARMONY PUBLIC SCHOOLS
CENTRAL OFFICE
NOTES TO BUDGETARY COMPARISON SCHEDULE

Revenue/Expense Category	Explanation
5700	Change in budgeted and actual interest rev and donation.
5900	Increase in budget and actual for TSL, EIR, and Replication grant.
Function 11	Change in actual Worker's Comp 6143.
Function 13	Curriculum and staff development increase in actual payroll F 420 & F 288.
Function 21	Increase in actual Consulting Svcs F 288.
Function 23	School leadership change in budgeted vs. actual supplies.
Function 31	Guidance and Counseling change in budgeted vs. actual payroll.
Function 33	Health Services change in budgeted vs. actual payroll.
Function 35	Food service change in budgeted vs. actual payroll.
Function 41	General Admin change in actual payroll F 420 & F 288.
Function 51	Maintenance change in budgeted vs. actual.
Function 52	Security increase in actual 52-6219.
Function 53	Data processing increase in actual ITECH.
Function 71	Debt service increase in actual.



FEDERAL AWARDS SECTION



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To The Board of Directors of
Harmony Public Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Harmony Public Schools ("HPS") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 16, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered HPS's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of HPS's internal control. Accordingly, we do not express an opinion on the effectiveness of HPS's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether HPS's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. These procedures performed included tests designed to verify Harmony Public School's compliance with the requirements of the Public Funds Investment Act (Chapter 2256, Texas Government Code) during the fiscal year ended June 30, 2024. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors of
Harmony Public Schools

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
November 16, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To The Board of Directors of
Harmony Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Harmony Public School's ("HPS") (a nonprofit organization) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of HPS's major federal programs for the year ended June 30, 2024. HPS's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, HPS's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of HPS and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of HPS's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to HPS's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on HPS's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about HPS' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding HPS's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of HPS's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of HPS's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

To the Board of Directors of
Harmony Public Schools

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Whitley Penn LLP

Houston, Texas
November 16, 2024

HARMONY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

I. Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors’ report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) ?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
-------------------------------------------	-----------------------------------------

US Department of Education

<i>Replication and Expansion of High-Quality Charter School</i>	84.282M
-----------------------------------------------------------------	---------

Special Education Cluster:

<i>IDEA-B Formula</i>	84.027A
<i>IDEA-B High Cost Fund</i>	84.027A
<i>2023-2024 SPED Capacity Contracted Services Grant</i>	84.027A
<i>American Rescue Plan (ARP) ESSER III - COVID-19</i>	84.425U
<i>TCLAS - ESSER III - COVID-19</i>	84.425U

Dollar Threshold Considered Between Type A and Type B Federal Programs	\$2,769,016
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Auditee qualified as low risk auditee?	Yes
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HARMONY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended June 30, 2024

II. Financial Statement Findings

None Reported

III. Federal Awards Findings and Questioned Costs

None Reported

HARMONY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

(1)	(2)	(2A)	(3)
Federal Grantor/Pass Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Direct:			
<i>Education Innovation and Research (EIR)</i>	84.411B	U411B180014	\$ 981,023
<i>Replication and Expansion of High-Quality Charter School</i>	84.282M	S282M230019	5,065,324
<i>2020-23 Teacher and School Leader Incentive (TSL)</i>	84.374A	S374A20021	1,567,736
<i>Teacher and School Leader Incentive (TSL)</i>	84.374A	S374A30017	3,379,834
<i>Total ALN 84.374</i>			<u>4,947,570</u>
Pass-Through Texas Education Agency:			
<i>Title I, Part A - Improving Basic Programs</i>	84.010A	24610101227816	1,215,331
<i>Title I, Part A - Improving Basic Programs</i>	84.010A	24610101161807	3,140,763
<i>Title I, Part A - Improving Basic Programs</i>	84.010A	24610101071806	1,925,846
<i>Title I, Part A - Improving Basic Programs</i>	84.010A	24610101101846	2,223,909
<i>Title I, Part A - Improving Basic Programs</i>	84.010A	24610101101858	2,413,524
<i>Title I, Part A - Improving Basic Programs</i>	84.010A	24610101101862	1,543,449
<i>Title I, Part A - Improving Basic Programs</i>	84.010A	24610101015828	2,521,239
<i>Total ALN 84.010</i>			<u>14,984,061</u>
<i>IDEA-B Formula</i>	84.027A	246600012278166000	716,368
<i>IDEA-B Formula</i>	84.027A	246600011618076000	1,652,400
<i>IDEA-B Formula</i>	84.027A	246600010718066000	807,742
<i>IDEA-B Formula</i>	84.027A	246600011018466000	597,548
<i>IDEA-B Formula</i>	84.027A	246600011018586000	1,077,955
<i>IDEA-B Formula</i>	84.027A	246600011018626000	873,978
<i>IDEA-B Formula</i>	84.027A	246600010158286000	800,499
<i>IDEA-B High Cost Fund</i>	84.027A	66002406	30,303
<i>IDEA-B High Cost Fund</i>	84.027A	66002406	4,276
<i>2023-2024 SPED Capacity Contracted Services Grant</i>	84.027A	236600497110001	9,805
<i>2023-2024 SPED Capacity Contracted Services Grant</i>	84.027A	236600497110001	17,455
<i>2023-2024 SPED Capacity Contracted Services Grant</i>	84.027A	236600497110001	10,723
<i>2023-2024 SPED Capacity Contracted Services Grant</i>	84.027A	236600497110001	750
<i>2023-2024 SPED Capacity Contracted Services Grant</i>	84.027A	236600497110001	11,323
<i>2023-2024 SPED Capacity Contracted Services Grant</i>	84.027A	236600497110001	41,360
<i>2023-2024 SPED Capacity Contracted Services Grant</i>	84.027A	236600497110001	13,592
<i>Total Special Education Cluster (ALN 84.027)</i>			<u>6,666,077</u>
<i>Title II, Part A Supporting Effective Instruction Transferred to Title I Part A</i>	84.367A	24694501227816	186,931
<i>Title II, Part A Supporting Effective Instruction Transferred to Title I Part A</i>	84.367A	24694501161807	439,293
<i>Teacher Leadership Cycle 2 (Year 3)</i>	84.367A	23694579710002	100,000
<i>Title II, Part A Supporting Effective Instruction Transferred to Title I Part A</i>	84.367A	24694501071806	274,925
<i>Title II, Part A Supporting Effective Instruction Transferred to Title I Part A</i>	84.367A	24694501101846	204,712
<i>Title II, Part A Supporting Effective Instruction Transferred to Title I Part A</i>	84.367A	24694501101858	346,991
<i>Title II, Part A Supporting Effective Instruction Transferred to Title I Part A</i>	84.367A	24694501101862	215,607
<i>Title II, Part A Supporting Effective Instruction Transferred to Title I Part A</i>	84.367A	24694501015828	278,797
<i>Total ALN 84.367</i>			<u>2,047,256</u>

HARMONY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

(1)	(2)	(2A)	(3)
Federal Grantor/Pass Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education (continued)			
Pass-Through Texas Education Agency (continued):			
<i>Title III, Part A - ELA</i>	84.365A	24671001227816	\$ 92,401
<i>Title III, Part A - ELA</i>	84.365A	24671001161807	289,872
<i>Title III, Part A - ELA</i>	84.365A	24671001071806	105,192
<i>Title III, Part A - ELA</i>	84.365A	24671001101846	84,236
<i>Title III, Part A - ELA</i>	84.365A	24671001101858	95,785
<i>Title III, Part A - ELA</i>	84.365A	24671001101862	129,644
<i>Title III, Part A - ELA</i>	84.365A	24671001015828	137,390
<i>Total ALN 84.365</i>			<u>934,520</u>
<i>Title IV, Part A funds Transferred to Title I Part A</i>	84.424A	24680101227816	102,068
<i>Title IV, Part A funds Transferred to Title I Part A</i>	84.424A	24680101161807	252,483
<i>Title IV, Part A funds Transferred to Title I Part A</i>	84.424A	24680101071806	138,236
<i>Title IV, Part A funds Transferred to Title I Part A</i>	84.424A	24680101101846	182,045
<i>Title IV, Part A funds Transferred to Title I Part A</i>	84.424A	24680101101858	193,524
<i>Title IV, Part A funds Transferred to Title I Part A</i>	84.424A	24680101101862	112,991
<i>Title IV, Part A funds Transferred to Title I Part A</i>	84.424A	24680101015828	206,117
<i>Total ALN 84.424</i>			<u>1,187,464</u>
<i>American Rescue Plan (ARP) ESSER III - COVID-19</i>	84.425U	21528001227816	2,398,455
<i>American Rescue Plan (ARP) ESSER III - COVID-19</i>	84.425U	21528001161807	9,040,509
<i>American Rescue Plan (ARP) ESSER III - COVID-19</i>	84.425U	21528001071806	3,857,798
<i>American Rescue Plan (ARP) ESSER III - COVID-19</i>	84.425U	21528001101846	7,589,893
<i>American Rescue Plan (ARP) ESSER III - COVID-19</i>	84.425U	21528001101858	5,018,788
<i>American Rescue Plan (ARP) ESSER III - COVID-19</i>	84.425U	21528001101862	3,324,226
<i>American Rescue Plan (ARP) ESSER III - COVID-19</i>	84.425U	21528001015828	6,328,242
<i>TCLAS - ESSER III - COVID-19</i>	84.425U	21528042227816	59,000
<i>TCLAS - ESSER III - COVID-19</i>	84.425U	21528042161807	94,324
<i>TCLAS - ESSER III - COVID-19</i>	84.425U	21528042071806	79,153
<i>TCLAS - ESSER III - COVID-19</i>	84.425U	21528042101846	269,759
<i>TCLAS - ESSER III - COVID-19</i>	84.425U	21528042101858	75,251
<i>TCLAS - ESSER III - COVID-19</i>	84.425U	21528042101862	69,969
<i>TCLAS - ESSER III - COVID-19</i>	84.425U	21528042015828	59,000
<i>Total ALN 84.425</i>			<u>38,264,367</u>
<i>23-24 Perkins V: Strengthening CTE for 21st Century</i>	84.048A	24420006227816	41,991
<i>23-24 Perkins V: Strengthening CTE for 21st Century</i>	84.048A	24420006161807	107,228
<i>23-24 Perkins V: Strengthening CTE for 21st Century</i>	84.048A	24420006071806	75,002
<i>23-24 Perkins V: Strengthening CTE for 21st Century</i>	84.048A	24420006101846	48,677
<i>23-24 Perkins V: Strengthening CTE for 21st Century</i>	84.048A	24420006101858	90,230
<i>23-24 Perkins V: Strengthening CTE for 21st Century</i>	84.048A	24420006101862	59,988
<i>23-24 Perkins V: Strengthening CTE for 21st Century</i>	84.048A	24420006015828	76,530
<i>Total ALN 84.048</i>			<u>499,646</u>
<i>LEP Summer School</i>	84.369A	69552302	11,756
<i>LEP Summer School</i>	84.369A	69552302	7,347
<i>LEP Summer School</i>	84.369A	69552302	2,939
<i>LEP Summer School</i>	84.369A	69552302	4,408
<i>LEP Summer School</i>	84.369A	69552302	10,286
<i>LEP Summer School</i>	84.369A	69552302	4,408
<i>LEP Summer School</i>	84.369A	69552302	4,408
<i>Total ALN 84.369</i>			<u>45,552</u>
Total U.S. Department of Education			<u>75,622,860</u>

HARMONY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

(1)	(2) Federal Assistance Listing Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
Federal Grantor/Pass Through Grantor Program Title			
U.S. Department of Health and Human Services			
Direct:			
2021-23 COVID-19 PHW Supplemental Funding	93.354	HHS001101500001/ 223934017110004	\$ 42,835
2021-23 COVID-19 PHW Supplemental Funding	93.354	HHS001101500001/ 223934017110020	38,406
Total ALN 93.354			81,241
Pass-Through Texas Workforce Commission:			
Esports	93.558	2301TXTANF	92,715
Total TANF Cluster (ALN 93.354)			92,715
Total U.S. Department of Health and Human Services			173,956
U.S. Department of Agriculture			
Passed-Through Texas Department of Agriculture:			
<i>National School Lunch Program - USDA Commodities:</i>			
Supply Chain Assistance Grant	10.555	NT4XL1YGLGC5	188,521
Supply Chain Assistance Grant	10.555	NT4XL1YGLGC5	429,972
Supply Chain Assistance Grant	10.555	NT4XL1YGLGC5	204,809
Supply Chain Assistance Grant	10.555	NT4XL1YGLGC5	138,550
Supply Chain Assistance Grant	10.555	NT4XL1YGLGC5	275,941
Supply Chain Assistance Grant	10.555	NT4XL1YGLGC5	199,015
Supply Chain Assistance Grant	10.555	NT4XL1YGLGC5	228,675
Passed-Through Texas Education Agency:			
Federal Food Service Reimbursement:			
School Breakfast Program (SBP)	10.553	236TX332N1099	253,407
School Breakfast Program (SBP)	10.553	236TX332N1099	880,892
School Breakfast Program (SBP)	10.553	236TX332N1099	365,098
School Breakfast Program (SBP)	10.553	236TX332N1099	212,680
School Breakfast Program (SBP)	10.553	236TX332N1099	600,835
School Breakfast Program (SBP)	10.553	236TX332N1099	449,329
School Breakfast Program (SBP)	10.553	236TX332N1099	306,741
National School Lunch Prg-NSLP	10.555	236TX332N1099	1,216,536
National School Lunch Prg-NSLP	10.555	236TX332N1099	2,790,918
National School Lunch Prg-NSLP	10.555	236TX332N1099	1,818,577
National School Lunch Prg-NSLP	10.555	236TX332N1099	988,965
National School Lunch Prg-NSLP	10.555	236TX332N1099	1,989,162
National School Lunch Prg-NSLP	10.555	236TX332N1099	2,037,445
National School Lunch Prg-NSLP	10.555	236TX332N1099	927,653
Total Child Nutrition Cluster (10.553,10.555)			16,503,721
Total U. S. Department of Agriculture			16,503,721
Total Expenditures of Federal Awards			\$ 92,300,537

HARMONY PUBLIC SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes federal award activity of HPS under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operation of HPS, it is not intended to and does not present the financial position, changes in net assets, or cash flows of HPS.

Note 3 - Indirect Cost Rate

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods. HPS has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Title I, Part A Transferability

As described in the U.S. Department of Education Cross-Cutting Section (ALN 84.000), Sections II.B.3 Activities *Allowed or Unallowed - Transferability (SEAs and LEAs)* and IV.3 *Other Information - Transferability* of the 2024 OMB Compliance Supplement, expenditures of funds should be included in the audit universe and total expenditures of the receiving program. For fiscal year 2024, HPS transferred 100% Title IV, Part A (ALN 84.424) and Title II, Part A (ALN 84.367A) expenditures to its Title I, Part A (ALN 84.010A) program as submitted to the Texas Education Agency in its consolidated application and as denoted on the Schedule of Expenditures of Federal Awards. As such, Title IV, Part A (ALN 84.424) and Title II, Part A (ALN 84.367A) were included as part of Title I, Part A (ALN 84.010).

Note 5 - Reconciliation to Financial Statements

Schedule of Expenditures of Federal Awards	\$ 92,300,537
Reconciling Items:	
School Health and Related Services (SHARS)	5,202,881
Total Federal Revenues per Statement of Activities	<u>\$ 97,503,418</u>

HARMONY PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2024

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

None Noted

HARMONY PUBLIC SCHOOLS

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2024

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports."

I. Corrective Action Plan

Not Applicable

