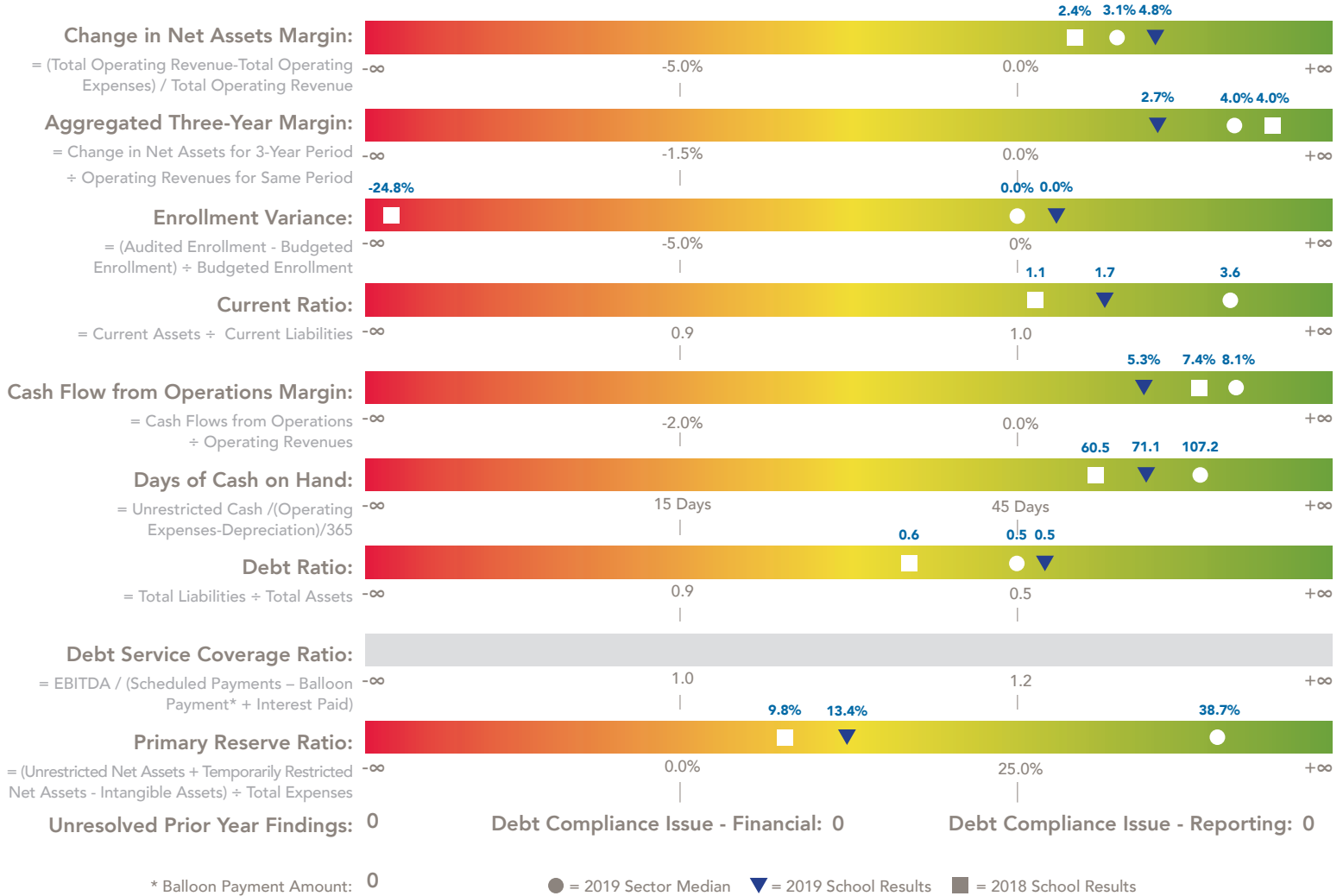


Opened:
2014-2015

Audited Enrollment:
112

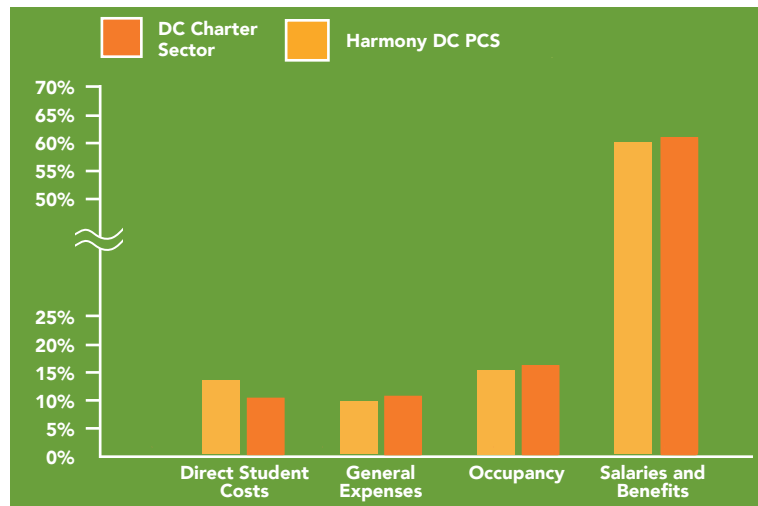
KEY FINANCIAL INDICATORS



Comments from the School

The school is using the philanthropic funding to finance the academic turnaround.

PCS EXPENSES BY CATEGORY



HARMONY DC PCS

FY2019 Financial Analysis Report

FINANCIAL POSITION

	2019	2018
Total Assets	\$707,443	\$626,193
Current Assets	\$582,536	\$425,956
Total Liabilities	\$335,983	\$393,355
Current Liabilities	\$334,910	\$386,026
Net Asset Position	\$371,460	\$232,838

FINANCIAL ACTIVITIES

	2019	2018
Revenues and Support	\$2,909,151	\$2,425,542
Expenses	\$2,770,529	\$2,367,330
Non-operating Revenues (Expenses)	\$0	\$0
Surplus (Deficit)	\$138,622	\$58,212

AUDIT FINDINGS

	2019	2018
Qualified/Modified/Adverse Opinion on the Financial Statements	No	No
Material Weakness in Internal Control over Financial Reporting (GAS)	No	No
Non-compliance Material to the Financial Statements (GAS)	No	No
Modified Opinion on Major Federal Award Programs (Uniform Guidance)	No	No
Material Weaknesses in the Internal Control over Compliance with Major Federal Programs (Uniform Guidance)	No	No
Findings and Questioned Costs	0	0
Going-Concern Issue	No	No

REVENUES/EXPENSES PER STUDENT

	2019	2018	2019 Sector Median
DC Funding per Student	\$18,773	\$18,430	\$19,863
Grants and Contributions Per Student	\$5,061	\$5,855	\$346
Total Revenues per Student	\$25,975	\$25,804	\$23,270
Expenses per Student	\$24,737	\$25,184	\$22,981

PCSB OBSERVATIONS

The school had an adequate financial performance in 2019. Enrollment increased by 13%, the school's change in net assets margin grew to 4.8% (from 2.4%) and current ratio grew to 1.7 (from 1.1). When adjusted for the line of credit, the school has an adequate 44 days of cash on hand. The school continues to rely on grant funding from the Harmony Foundation of roughly \$500k per year in 2018 and 2019, without which the school would not be financially viable. An additional \$1.0M in grant funding is available to the school for 2020 and 2021 if certain conditions are met. While the school's performance is improving, the school must reduce or eliminate its reliance on philanthropic funding in the long-term.

Property Lease:

In July 2014, the school began a five-year lease agreement with base rent of \$180K and has an annual escalation clause of 3%. Rent for the first year was deferred to future years. As of June 30, 2019, the rent expense totaled \$319k. As a provision to this lease, the school exercised the option to renew the rental lease agreement for an additional two years through 2021.

School Name	FY19 Revenues	FY19 Operating Result
Harmony DC PCS	\$2,909,151	\$138,622
Management Organization ("MO") / Related Party ("RP")	MO/RP Tax Status	
Harmony Public Schools	Non-Profit	
Highest Paid Employee / Head of MO / RP	Title	Total Compensation
Soner Tarim	CEO	\$221,333
Services Provided	FY19 Payment	% of School Revenue
Licensing and Services	\$0	0%
Total	\$0	0%
DC PCSB Comments		
<p>Harmony Public Schools, a Texas nonprofit, is the sole member and school management organization of Harmony DC PCS. The CEO and superintendent of Schools for Harmony Public Schools was the board president of Harmony DC PCS throughout the fiscal year. Harmony Public Schools provides education technology services, data network solutions, teacher and leadership coaching, human resources, and financial services to the school. In addition, the school uses trademarks, licensed marks, and other intellectual property owned by Harmony Public Schools. During the year ended June 30, 2019, the license fee that was recognized by Harmony DC PCS was \$60k. Please note that the highest paid employee above was taken from the most recent 990 available at the time this report was produced.</p>		
School Comments		