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CHANGE OF ACCOUNTING PERIOD
Return of Organization Exempt From Income Tax
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
 (except black lung benefit trust or private foundation)

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2012 calendar year, or tax year beginning 9/01, **2012, and ending** 6/30, **2013**

B Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C **HARMONY PUBLIC SCHOOLS**
 9321 W. SAM HOUSTON PKWY SOUTH
 HOUSTON, TX 77099

D Employer Identification Number
 76-0615245

E Telephone number
 (713) 343-3333

G Gross receipts \$ 193,938,909.

F Name and address of principal officer YALCIN AKYILDIZ
 SAME AS C ABOVE

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If 'No,' attach a list (see instructions)

I Tax-exempt status 501(c)(3) 501(c) () (insert no) 4947(a)(1) or 527

J Website: WWW.HARMONYTX.ORG

H(c) Group exemption number ▶

K Form of organization Corporation Trust Association Other ▶

L Year of Formation 1999 **M State of legal domicile** TX

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities	OUR MISSION AT HARMONY IS TO PREPARE EACH STUDENT FOR HIGHER EDUCATION BY PROVIDING A SAFE, CARING, AND COLLABORATIVE ATMOSPHERE FEATURING A QUALITY, STUDENT-CENTERED EDUCATIONAL PROGRAM WITH STRONG EMPHASIS ON SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS.	
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	6
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	6
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	3,177
	6 Total number of volunteers (estimate if necessary)	6	790
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	168,372,729.	186,242,458.
	9 Program service revenue (Part VIII, line 2g)	6,867,734.	7,497,870.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	113,723.	101,282.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	176,343.	97,299.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	175,530,529.	193,938,909.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	103,100.	96,197.
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	87,012,130.	101,607,493.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25) ▶		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	82,776,229.	78,327,909.
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	169,891,459.	180,031,599.	
19 Revenue less expenses Subtract line 18 from line 12	5,639,070.	13,907,310.	

Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	308,155,585.	327,223,878.
	21 Total liabilities (Part X, line 26)	271,301,559.	276,462,542.
22 Net assets or fund balances Subtract line 21 from line 20	36,854,026.	50,761,336.	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: *Yalcin Akyildiz* Date: 2/14/2014

YALCIN AKYILDIZ CFO

Paid Preparer Use Only

Print/Type preparer's name: BENJAMIN P. GOMEZ
 Preparer's signature: *Benjamin P Gomez* Date: 2/14/14
 Check if self-employed PTIN: P00840652

Firm's name: GOMEZ & COMPANY
 Firm's address: 5177 RICHMOND AVE STE 1100 HOUSTON, TX 77056
 Firm's EIN: 76-0225893
 Phone no: (713) 666-5900

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III



1 Briefly describe the organization's mission

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes No

If 'Yes,' describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes No

If 'Yes,' describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code _____) (Expenses \$ 173,355,606. including grants of \$ _____) (Revenue \$ _____)

FOCUS IS TO ESTABLISH STRONG SCIENCE, MATHEMATICS, & COMPUTER TECHNOLOGY PROGRAMS FOR INNER CITY YOUTH. ONE GOAL IS TO EMPHASIZE SCIENCE, MATH, AND COMPUTER TECHNOLOGY COMPETITIONS.

4b (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4c (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services. (Describe in Schedule O)

(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses ▶ 173,355,606.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I		X
4 Section 501(c)(3) organizations Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If 'Yes,' complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If 'Yes,' complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is 'Yes', then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI	X	
b Did the organization report an amount for investments — other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII		X
c Did the organization report an amount for investments — program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If 'Yes,' complete Schedule D, Part X		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? If 'Yes,' complete Schedule D, Parts XI, and XII	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI and XII is optional	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E	X	
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If 'Yes,' complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule G, Part I (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III		X
20 a Did the organization operate one or more hospital facilities? If 'Yes,' complete Schedule H		X
b If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III</i>	X	
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If 'Yes,' complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25</i>	X	
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
24d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		X
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I</i>		X
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If 'Yes,' complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If 'Yes,' complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If 'Yes,' complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
28a A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
28b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
28c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
35b If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	X	

BAA

Form 990 (2012)

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

		Yes	No
1 a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable		
1 a	482		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable		
1 b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2 a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2 a	3,177		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3 a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O		
4 a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If 'Yes,' enter the name of the foreign country See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5 a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?		
6 a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7 Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If 'Yes,' indicate the number of Forms 8282 filed during the year		
7 d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7 g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
7 h			
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
8			
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		
9 a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
9 b			
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12		
10 a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
10 b			
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders		
11 a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
11 b			
12 a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year		
12 b			
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
13 b			
c	Enter the amount of reserves on hand		
13 c			
14 a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O		
14 b			

Part VI Governance, Management and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1 a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	1 a 6		
b Enter the number of voting members included in line 1a, above, who are independent	1 b 6		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee?	2		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? SEE SCH O	4	X	
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6 Did the organization have members or stockholders?	6		X
7 a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7 a		X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or other persons other than the governing body?	7 b		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a The governing body?	8 a	X	
b Each committee with authority to act on behalf of the governing body?	8 b		X
9 Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O	9		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code)

		Yes	No
10 a Did the organization have local chapters, branches, or affiliates?	10 a	X	
b If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10 b	X	
11 a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11 a	X	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990 SEE SCHEDULE O			
12 a Did the organization have a written conflict of interest policy? If 'No,' go to line 13	12 a	X	
b Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12 b	X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done SEE SCHEDULE O	12 c	X	
13 Did the organization have a written whistleblower policy?	13	X	
14 Did the organization have a written document retention and destruction policy?	14	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a The organization's CEO, Executive Director, or top management official SEE SCHEDULE O	15 a	X	
b Other officers of key employees of the organization SEE SCHEDULE O If 'Yes' to line 15a or 15b, describe the process in Schedule O (See instructions)	15 b	X	
16 a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16 a		X
b If 'Yes,' did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16 b		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ▶ NONE
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public during the tax year **SEE SCHEDULE O**
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 ▶ YALCIN AKYILDIZ 9321 W. SAM HOUSTON PKWY SOUTH HOUSTON TX 77099 (713) 343-3333

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1 a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ONER U. CELEPCIKAY PRESIDENT	5 0	X						0.	0.	0.
(2) MUSTAFA ATIK TREASURER	5 0	X						0.	0.	0.
(3) ELLEN A MACDONALD VICE PRESIDENT	5 0	X						0.	0.	0.
(4) CENGIZHAN KESKIN SECRETARY	5 0	X						0.	0.	0.
(5) HOMER STEWART SECOND VICE PRE	5 0	X						0.	0.	0.
(6) KAMIL SARAC TRUSTEE	5 0	X						0.	0.	0.
(7) DR. SONER TARIM SUPERINTENDENT	40 0			X				147,000.	0.	0.
(8) YALCIN AKYILDIZ CFO	40 0			X				94,580.	0.	0.
(9) KADIR ALMUS CHIEF ACAD OFFI	40 0			X				64,187.	0.	0.
(10) ERDAL CAGLAR COO	40 0			X				93,887.	0.	0.
(11) DR. OZGUR OZER CHIEF ACAD OFFI	40 0			X				47,991.	0.	0.
(12) BILAL AKIN SECRETARY	5 0					X		0.	0.	0.
(13) -----										
(14) -----										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (cont)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099 MISC)	(E) Reportable compensation from related organizations (W 2/1099 MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) -----										
(16) -----										
(17) -----										
(18) -----										
(19) -----										
(20) -----										
(21) -----										
(22) -----										
(23) -----										
(24) -----										
(25) -----										
1 b Sub-total							447,645.	0.	0.	
c Total from continuation sheets to Part VII, Section A							0.	0.	0.	
d Total (add lines 1b and 1c)							447,645.	0.	0.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 1

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If 'Yes,' complete Schedule J for such individual</i>	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If 'Yes,' complete Schedule J for such individual</i>		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If 'Yes,' complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
NORTHWEST CATERING SERVICES, INC. 16929 STATE HIGHWAY 249 STE A HOUS	CATERING SERVICES	3,186,087.
TARGET DESIGN & MANAGEMENT LLC. 11110 BELLAIRE BLVD, SUITE #103 HOUS	CONSTRUCTION	2,445,561.
APPLE CATERING INC. 955 EAST CAMPBELL RD. SUITE #200 RICHARDSON, TX	CATERING SERVICES	2,025,095.
CRYSTAL FACILITY SOLUTIONS, INC. 10530 ROCKLEY RD STE 120 HOUSTON, T	MAINTENANCE & JANITO	1,922,027.
RATCLIFF CONSTRUCTION LLP 4200 BELTWAY DRIVE ADDISON, TX 75001	CONSTRUCTION	1,728,041.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶ 18

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	1 a Federated campaigns	1 a				
	b Membership dues	1 b				
	c Fundraising events	1 c				
	d Related organizations	1 d				
	e Government grants (contributions)	1 e 185063482.				
	f All other contributions, gifts, grants, and similar amounts not included above	1 f 1,178,976.				
	g Noncash contributions included in lns 1a-1f \$					
	h Total. Add lines 1a-1f		186242458.			
		Business Code				
PROGRAM SERVICE REVENUE	2 a OTHER REVENUE		7,497,870.	7,497,870.		
	b -----					
	c -----					
	d -----					
	e -----					
	f All other program service revenue					
	g Total. Add lines 2a-2f		7,497,870.			
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts)		101,282.	101,282.		
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents	(i) Real	97,299.			
		(ii) Personal				
		b Less rental expenses				
	c Rental income or (loss)	97,299.				
	d Net rental income or (loss)		97,299.		97,299.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		b Less cost or other basis and sales expenses				
		c Gain or (loss)				
	d Net gain or (loss)					
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
		b Less direct expenses				
c Net income or (loss) from fundraising events						
9 a Gross income from gaming activities See Part IV, line 19	a					
	b Less direct expenses					
	c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a					
	b Less cost of goods sold					
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
11 a -----						
	b -----					
	c -----					
	d All other revenue					
	e Total. Add lines 11a-11d					
12 Total revenue. See instructions		193938909.	7,599,152.	0.	97,299.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A)

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2 Grants and other assistance to individuals in the United States See Part IV, line 22	96,197.	96,197.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	447,645.	447,645.	0.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.	0.	0.	0.
7 Other salaries and wages	90,351,818.	86,910,820.	3,440,998.	
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	8,878,183.	8,496,109.	382,074.	
10 Payroll taxes	1,929,847.	1,867,984.	61,863.	
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amt exceeds 10% of line 25, column (A) amt, list line 11g expenses on Sch O)	17,352,100.	17,352,100.		
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy	8,084,046.	8,079,088.	4,958.	
17 Travel	2,364,775.	2,231,099.	133,676.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	13,084,717.	13,084,717.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	10,273,861.	10,078,470.	195,391.	
23 Insurance	749,013.	580,280.	168,733.	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a <u>SUPPLIES</u>	12,687,246.	12,576,626.	110,620.	
b <u>OTHER EXPENSE</u>	5,272,860.	3,190,973.	2,081,887.	
c <u>UTILITIES</u>	3,139,736.	3,139,736.		
d <u>REPAIRS AND MAINTENANCE</u>	2,436,561.	2,436,561.		
e All other expenses	2,882,994.	2,787,201.	95,793.	
25 Total functional expenses. Add lines 1 through 24e	180,031,599.	173,355,606.	6,675,993.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X

		(A) Beginning of year		(B) End of year	
ASSETS	1	Cash – non-interest-bearing	67,033,915.	1	59,443,556.
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	8,840,385.	4	29,584,480.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net	1,297,153.	7	359,383.
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	87,954.	9	
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 271,059,855.		
	b	Less accumulated depreciation	10b 38,692,214.	10c	232,367,641.
	11	Investments – publicly traded securities		11	
	12	Investments – other securities See Part IV, line 11		12	
	13	Investments – program-related See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	5,619,732.	15	5,468,818.
16	Total assets. Add lines 1 through 15 (must equal line 34)	308,155,585.	16	327,223,878.	
LIABILITIES	17	Accounts payable and accrued expenses	7,698,777.	17	6,263,683.
	18	Grants payable	185,376.	18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	197,817,533.	20	196,243,775.
	21	Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	15,767,831.	23	11,564,933.
	24	Unsecured notes and loans payable to unrelated third parties	44,995,000.	24	44,995,000.
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	4,837,042.	25	17,395,151.
	26	Total liabilities. Add lines 17 through 25	271,301,559.	26	276,462,542.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	10,935,047.	27	11,199,969.
	28	Temporarily restricted net assets	25,918,979.	28	39,561,367.
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	36,854,026.	33	50,761,336.
34	Total liabilities and net assets/fund balances	308,155,585.	34	327,223,878.	

BAA

Form 990 (2012)

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	193,938,909.
2	Total expenses (must equal Part IX, column (A), line 25)	2	180,031,599.
3	Revenue less expenses Subtract line 2 from line 1	3	13,907,310.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	36,854,026.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	50,761,336.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O		
2 a	Were the organization's financial statements compiled or reviewed by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2 b	Were the organization's financial statements audited by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
2 c	If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	X	
3 a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
3 b	If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	X	

BAA

Form 990 (2012)

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545 0047

2012

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization HARMONY PUBLIC SCHOOLS	Employer identification number 76-0615245
---	---

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

- 1 A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)** Enter the hospital's name, city, and state _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II)
- 9 An organization that normally receives (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h
 - a Type I b Type II c Type III – Functionally integrated d Type III – Non-functionally integrated
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
11 g (i)		
11 g (ii)		
11 g (iii)		

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in column (i) listed in your governing document?		(v) Did you notify the organization in column (i) of your support?		(vi) Is the organization in column (i) organized in the U S ?		(vii) Amount of monetary support
				Yes	No	Yes	No	Yes	No	
(A)										
(B)										
(C)										
(D)										
(E)										
Total										

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any 'unusual grants')						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						

12 Gross receipts from related activities, etc (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)).	14	%
15 Public support percentage from 2011 Schedule A, Part II, line 14	15	%

16a **33-1/3% support test – 2012.** If the organization did not check the box on line 13, and the line 14 is 33-1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

b **33-1/3% support test – 2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

17a **10%-facts-and-circumstances test – 2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and **stop here.** Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization ▶

b **10%-facts-and-circumstances test – 2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and **stop here.** Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization ▶

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions and membership fees received (Do not include any 'unusual grants')						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support. (Add lns 9, 10c, 11, and 12)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f)).	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15.	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f)).	17	%
18 Investment income percentage from 2011 Schedule A, Part III, line 17.	18	%

19a 33-1/3% support tests – 2012. If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33-1/3% support tests – 2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**
▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization

Employer identification number

HARMONY PUBLIC SCHOOLS

76-0615245

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No
- 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? Yes No

Part II Conservation Easements. Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply)
- | | |
|--|--|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) | <input type="checkbox"/> Preservation of an historically important land area |
| <input type="checkbox"/> Protection of natural habitat | <input type="checkbox"/> Preservation of a certified historic structure |
| <input type="checkbox"/> Preservation of open space | |

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

- a Total number of conservation easements
- b Total acreage restricted by conservation easements
- c Number of conservation easements on a certified historic structure included in (a)
- d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

	Held at the End of the Tax Year
2 a	
2 b	
2 c	
2 d	

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____
- 4 Number of states where property subject to conservation easement is located ▶ _____
- 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No
- 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____
- 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____
- 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No
- 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

- 1 a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items
- b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items
- (i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
- (ii) Assets included in Form 990, Part X ▶ \$ _____
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items
- a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
- b Assets included in Form 990, Part X ▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1 a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If 'Yes,' explain the arrangement in Part XIII and complete the following table

	Amount
1 c	
1 d	
1 e	
1 f	

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f Ending balance

2 a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If 'Yes,' explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current	(b) Prior year	(c) Two years	(d) Three years	(e) Four years
1 a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Temporarily restricted endowment _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%

3 a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1 a Land		30,486,657.		30,486,657.
b Buildings		223,965,673.	30,189,616.	193,776,057.
c Leasehold improvements				
d Equipment				
e Other		16,607,525.	8,502,598.	8,104,927.
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				232,367,641.

Part VII Investments – Other Securities. See Form 990, Part X, line 12. N/A

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total (Column (b) must equal Form 990, Part X, column (B) line 12.)		

Part VIII Investments – Program Related. See Form 990, Part X, line 13. N/A

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total (Column (b) must equal Form 990, Part X, column (B) line 13.)		

Part IX Other Assets. See Form 990, Part X, line 15. N/A

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, column (B), line 15.)	

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) INTEREST PAYABLE	4,817,860.
(3) PAYROLL TAXES PAYABLE	1,451,233.
(4) WAGES PAYABLE	11,126,058.
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total (Column (b) must equal Form 990, Part X, column (B) line 25.)	17,395,151.

2. FIN 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements		1	193,938,909.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
a	Net unrealized gains on investments	2 a		
b	Donated services and use of facilities	2 b		
c	Recoveries of prior year grants	2 c		
d	Other (Describe in Part XIII)	2 d		
e	Add lines 2 a through 2 d		2 e	
3	Subtract line 2 e from line 1		3	193,938,909.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4 a		
b	Other (Describe in Part XIII)	4 b		
c	Add lines 4 a and 4 b		4 c	
5	Total revenue Add lines 3 and 4 c . (This must equal Form 990, Part I, line 12.)		5	193,938,909.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements		1	180,031,599.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25			
a	Donated services and use of facilities	2 a		
b	Prior year adjustments	2 b		
c	Other losses	2 c		
d	Other (Describe in Part XIII)	2 d		
e	Add lines 2 a through 2 d		2 e	
3	Subtract line 2 e from line 1		3	180,031,599.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4 a		
b	Other (Describe in Part XIII)	4 b		
c	Add lines 4 a and 4 b		4 c	
5	Total expenses Add lines 3 and 4 c . (This must equal Form 990, Part I, line 18.)		5	180,031,599.

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SCHEDULE E (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

▶ **Complete if the organization answered 'Yes' to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.**
▶ **Attach to Form 990 or Form 990-EZ.**

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization

HARMONY PUBLIC SCHOOLS

Employer identification number

76-0615245

Part I

	YES	NO
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	X	
2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	X	
3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe. If 'No,' please explain. If you need more space, use Part II. <u>THE ORGANIZATION INVITES STUDENTS OF ALL BACKGROUNDS TO APPLY VIA ITS WEBSITE YEAR-ROUND AND INCLUDES A NONDISCRIMINATORY DISCLOSURE STATEMENT ON APPLICATION MATERIALS MADE AVAILABLE TO THE PUBLIC.</u>	X	
4 Does the organization maintain the following?		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain. If you need more space, use Part II.	X	
5 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?		X
b Admissions policies?		X
c Employment of faculty or administrative staff?		X
d Scholarships or other financial assistance?		X
e Educational policies?		X
f Use of facilities?		X
g Athletic programs?		X
h Other extracurricular activities? If you answered 'Yes' to any of the above, please explain. If you need more space, use Part II.		X
6 a Does the organization receive any financial aid or assistance from a governmental agency?	X	
b Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either line 6a or line 6b, explain on Part II.		X
7 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' explain on Part II.	X	

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

OMB No. 1545-0047

2012

Complete if the organization answered 'Yes' to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.

Open to Public
Inspection

Name of the organization

HARMONY PUBLIC SCHOOLS

Employer identification number

76-0615245

Part I General Information on Grants and Assistance

- Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?
- Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Yes No

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered 'Yes' to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) -----							
(2) -----							
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							
(8) -----							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table

0

3 Enter total number of other organizations listed in the line 1 table

0

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

TEEA3901L 11/30/12

Schedule I (Form 990) (2012)

SCHEDULE J
(Form 990)

Compensation Information

OMB No 1545 0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

2012

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered 'Yes' to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Open to Public Inspection

Name of the organization

Employer identification number

HARMONY PUBLIC SCHOOLS

76-0615245

Part I Questions Regarding Compensation

1 a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If 'No,' complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III

- | | |
|--|--|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If 'Yes' to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?

b Any related organization?

If 'Yes' to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?

b Any related organization?

If 'Yes' to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If 'Yes,' describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)?

If 'Yes,' describe in Part III

9 If 'Yes' to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1 b		
2		
4 a		X
4 b		X
4 c		X
5 a		X
5 b		X
6 a		X
6 b		X
7		X
8		X
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable columns (D) and (E) amounts for that individual.

	(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus and incentive compensation	(iii) Other reportable compensation				
1		(i)						
		(ii)						
2		(i)						
		(ii)						
3		(i)						
		(ii)						
4		(i)						
		(ii)						
5		(i)						
		(ii)						
6		(i)						
		(ii)						
7		(i)						
		(ii)						
8		(i)						
		(ii)						
9		(i)						
		(ii)						
10		(i)						
		(ii)						
11		(i)						
		(ii)						
12		(i)						
		(ii)						
13		(i)						
		(ii)						
14		(i)						
		(ii)						
15		(i)						
		(ii)						
16		(i)						
		(ii)						

SCHEDULE K (Form 990)
Department of the Treasury Internal Revenue Service
Supplemental Information on Tax Exempt Bonds
▶ Complete if the organization answered 'Yes' to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization: **HARMONY PUBLIC SCHOOLS**
Employer identification number: **76-0615245**

Part I Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A TEXAS PUBLIC FINANCE AUTHO 56-2491403	88276PAY2	6/01/2007	28,860,000.	TO ACQUIRE EDUCATIONAL FACILIT							
B LA VERNIA HIGHER EDUCATION 06-1802520	505237AR8	5/21/2008	30,075,000.	TO ACQUIRE AND EQUIP EDUCATION							
C TEXAS PUBLIC FINANCE AUTHO 56-2491403	88276PCK0	5/06/2010	50,090,000.	CAPITAL EXPENDITURES RELATED T							
D CITY OF HOUSTON HIGHER ED 76-0380714	442378EF8	5/26/2011	58,748,337.	TO ACQUIRE FACILITIES							

Part II Proceeds

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue			50,090,000.				58,748,337.	
4 Gross proceeds in reserve funds			5,009,000.				5,039,469.	
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds			740,750.				1,069,785.	
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds			44,340,250.				52,634,083.	
11 Other spent proceeds							5,000.	
12 Other unspent proceeds								
13 Year of substantial completion								

- Were the bonds issued as part of a current refunding issue?
- Were the bonds issued as part of an advance refunding issue?
- Has the final allocation of proceeds been made?
- Does the organization maintain adequate books and records to support the final allocation of proceeds?

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?								
2 Are there any lease arrangements that may result in private business use of bond-financed property?								

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3 a Are there any management or service contracts that may result in private business use of bond-financed property?								
b If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?								
d If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		%		%		%		%
6 Total of lines 4 and 5		%		%		%		%
7 Does the bond issue meet the private security or payment test?								
8 a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?								
b If 'Yes' to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If 'Yes' to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T?								
2 If 'No' to line 1, did the following apply?								
a Rebate not due yet?								
b Exception to rebate?								
c No rebate due?								
If you checked 'No rebate due' in line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?								
4 a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?								
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

SCHEDULE K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered 'Yes' to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

HARMONY PUBLIC SCHOOLS

Employer identification number

76-0615245

Part I Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A CITY OF HOUSTON HIGHER ED	76-0380714	442378ES0	5/09/2012	31,689,656.	BUILDING AND EQUIPMENT		X		X		X
B											
C											
D											

Part II Proceeds

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue		31,689,656.						
4 Gross proceeds in reserve funds		2,035,125.						
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds		633,793.						
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds		29,020,738.						
11 Other spent proceeds								
12 Other unspent proceeds								
13 Year of substantial completion								

14 Were the bonds issued as part of a current refunding issue?									
15 Were the bonds issued as part of an advance refunding issue?		X							
16 Has the final allocation of proceeds been made?		X							
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?		X							

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?								
2 Are there any lease arrangements that may result in private business use of bond-financed property?								

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule K (Form 990) 2012

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?								
b If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?								
d If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government.		%		%		%		%
6 Total of lines 4 and 5		%		%		%		%
7 Does the bond issue meet the private security or payment test?								
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?								
b If 'Yes' to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If 'Yes' to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T?								
2 If 'No' to line 1, did the following apply?								
a Rebate not due yet?								
b Exception to rebate?								
c No rebate due?								
If you checked 'No rebate due' in line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?								
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?								
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No 1545 0047

2012

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization

HARMONY PUBLIC SCHOOLS

Employer identification number

76-0615245

FORM 990, PART III, LINE 1 - ORGANIZATION MISSION

OUR MISSION AT HARMONY IS TO PREPARE EACH STUDENT FOR HIGHER EDUCATION BY PROVIDING
A SAFE, CARING, AND COLLABORATIVE ATMOSPHERE FEATURING A QUALITY, STUDENT-CENTERED
EDUCATIONAL PROGRAM WITH STRONG EMPHASIS ON SCIENCE, TECHNOLOGY, ENGINEERING, AND
MATHEMATICS.

FORM 990, PART VI, LINE 4 - SIGNIFICANT CHANGES TO ORGANIZATIONAL DOCUMENTS

THE BYLAWS WERE AMENDED.

FORM 990, PART VI, LINE 11B - FORM 990 REVIEW PROCESS

FORM 990 IS REVIEWED BY MANAGEMENT AND MEMBERS OF GOVERNING BODY BEFORE IT IS FILED.

FORM 990, PART VI, LINE 12C - EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS

THE BOARD OF DIRECTORS AND MANAGEMENT MUST DISCLOSE ANY POTENTIAL CONFLICTS OF
INTEREST PRIOR TO BOARD ACTION. RELATIONSHIPS WITH THIRD PARTIES ARE REVIEWED
ANNUALLY.

FORM 990, PART VI, LINE 15A - COMPENSATION REVIEW & APPROVAL PROCESS - CEO, TOP MANAGEMENT

ANNUAL SALARY REVIEW IS PERFORMED BY THE BOARD AND SALARY IS ADJUSTED AGAINST
ESTABLISHED SALARY SCALE.

FORM 990, PART VI, LINE 15B - COMPENSATION REVIEW & APPROVAL PROCESS - OFFICERS & KEY EMPLOYEES

ANNUAL SALARY REVIEW IS PERFORMED BY THE BOARD AND SALARIES ARE ADJUSTED IN
ACCORDANCE WITH ESTABLISHED SALARY SCALE.

FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE

WRITTEN REQUESTS FOR INFORMATION MAY BE SUBMITTED TO THE PRINCIPAL ADDRESS NOTED ON
FORM 990.

CLIENT COSMOS

HARMONY PUBLIC SCHOOLS

76-0615245

2/13/14

06 14PM

RENTAL INCOME WORKSHEET

COMMERCIAL PROPERTY - HOUSTON

GROSS RENTAL INCOME	\$	97,299.
EXPENSES		
TOTAL EXPENSES	\$	<u>0.</u>
NET RENTAL INCOME OR LOSS		<u>\$ 97,299.</u>

FORM 990, PART IX, LINE 11G
OTHER FEES FOR SERVICES

	(A) <u>TOTAL</u>	(B) <u>PROGRAM SERVICES</u>	(C) <u>MANAGEMENT & GENERAL</u>	(D) <u>FUND- RAISING</u>
	17,352,100.	17,352,100.		
TOTAL	<u>\$ 17,352,100.</u>	<u>\$ 17,352,100.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

FORM 990, PART IX, LINE 24E
OTHER EXPENSES

	(A) <u>TOTAL</u>	(B) <u>PROGRAM SERVICES</u>	(C) <u>MANAGEMENT & GENERAL</u>	(D) <u>FUNDRAISING</u>
EQUIPMENT LEASE	2,286,372.	2,200,293.	86,079.	
FOOD PROGRAM	433,197.	433,197.		
TRAINING	163,425.	153,711.	9,714.	
TOTAL	<u>\$ 2,882,994.</u>	<u>\$ 2,787,201.</u>	<u>\$ 95,793.</u>	<u>\$ 0.</u>

BYLAWS

HARMONY PUBLIC SCHOOLS

ARTICLE 1

OFFICES

Principal Office

- 1.01. The principal office of Harmony Public Schools (the "Corporation") in the State of Texas shall; be located at 9321 W. Sam Houston Parkway South, Houston, Texas 77099. The Corporation may have such other offices, either in Texas or elsewhere, as the Board of Directors may determine. The Board of Directors may change the location of any office of the Corporation.

Registered Office and Registered Agent

- 1.02. The Corporation shall comply with the requirements of the Texas Business Organization Code (the "TBOC") and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the TBOC.

ARTICLE 2

BOARD OF DIRECTORS

Management of the Corporation

- 2.01. The affairs of the Corporation shall be managed by the Board of Directors.
- 2.02. The Corporation shall have no members.

Number Qualifications and Tenure of Directors

- 2.03. The number of Directors of the Board of Directors of the Corporation (the "Board") shall be seven (7), or as subsequently amended by majority vote of the directors then serving on the Board. Directors need not be residents of Texas. The number of Directors may be increased or decreased in accordance with this Section 2.03 but in no case shall the number of directors be less than three (3). Each Director shall serve until his or her successor is elected or appointed. A Director whose term has expired may be elected to succeed him or herself. A Director's term shall not be extended or shortened beyond the term for which the Director was elected by an amendment of these Bylaws or other Board action.

Nomination of Directors

- 2.04. At any meeting at which the election a director occurs, a director may nominate a person with the second of any other director. In addition to nominations made at meetings, a nominating committee may also be formed to consider possible nominees and make nominations for each election of directors. The secretary shall include the names nominated by the nomination committee, and any report of the committee, with the notice of the meeting at which the election occurs.

Election of Directors

- 2.05. A person who meets any qualification requirements required by law and/or as determined by the Board to be a Director and who has been duly nominated may be elected as a Director. Directors shall be elected by the vote of the majority of the Board of Directors then serving on the Board. Except for Directors removed under Article 2.07, each Director shall hold office until a successor is elected and qualified.

Vacancies

- 2.06. Any vacancy occurring on the Board, and any director position to be filled due to an increase in the number of Directors, shall be filled by the affirmative vote of a majority of the directors present and voting at a meeting at which a quorum is present. When a vacancy on the Board exists, nominations for new members may be received from present board members one week in advance of a board meeting.

Resignation of Directors

- 2.07. A Director may resign at any time by written notification to the President or Secretary of the Board. The resignation shall take effect at any time specified therein, and if no time is specified, at the time of its receipt. The acceptance of a resignation by the President or Secretary shall not be necessary to make it effective. Any Director who is absent for more than four (4) consecutive meetings of a Board meeting in any fiscal year shall be deemed to have resigned in accordance with this Section 2.07 of these Bylaws, unless the Board acts affirmatively by majority vote of directors present at a meeting to retain the Director.

Meetings of the Board

- 2.08. Meetings of the Board shall be conducted in accordance with the provisions of the Texas Education Code and Texas Open Meetings Act, including the following provisions: At no time shall a quorum of the Board meet to deliberate any issue or business of the Corporation or the Charter Schools without posting notice of a meeting as set forth in these Bylaws and in accordance with the Texas Open Meetings Act. Directors shall normally attend meetings of the Board in person.
- (a) **Closed Session**: The Board may meet in a meeting closed to the public to deliberate on those matters specified in the Texas Open Meetings Act as proper for closed meetings, including but not limited to consultation with attorney, real estate, prospective gifts or donations, personnel matters, security personnel or devices, discipline of a student and complaint against

an employee an employee (unless the student or employee respectively requests an open meeting).

- (b) **Emergency Meetings:** In the event of an emergency as defined in the Texas Open Meetings Act, a meeting may be conducted by telephone conference call. If a meeting involves telephonic participation, the telephonic participation must be by conference call in which all persons participating can be heard by all other participants and the public.
- (c) **Participation in Meeting by Videoconference.** A meeting may be conducted by videoconference call, provided a quorum of the Board is physically present at one location, audio and video is simultaneously available to the participants and the public, and the other requirements of Section 551.127 of the Texas Open Meetings Act are met, including certain notice requirements. The notice of a meeting to be held by videoconference call must specify as a location of the meeting the location where a quorum of the governmental body will be physically present and specify the intent to have a quorum present at that location. In addition, the notice of the meeting must specify as a location of the meeting each other location where a member of the governmental body who will participate in the meeting will be physically present during the meeting. Each of the locations shall be open to the public during the open portions of the meeting. For every meeting at which there is participation by videoconference, the Corporation shall make at least an audio recording of the meeting and such recording shall be made available to the public.

Annual Meeting

- 2.09. The annual meeting of the Board shall be held on the second Saturday of September of each year. The date of the annual meeting may be changed with a written notice by the President who shall also set the time and place of that delayed meeting. The President or the Secretary shall give a written notice of the meeting to each Director and shall post notice to the general public as required by the Texas Open Meetings Act. Officers of the Corporation shall be elected at the Annual Meeting and there shall be transacted such other business as may properly be brought before the Board and in compliance with the requirements of the Texas Open Meetings Act.

Regular Meeting

- 2.10. Regular meetings of the Board shall be held at the principal office on the second Saturday of every other month starting September of each year or at such other time or place as the Board may designate from time to time within the state of Texas. The number of meetings may be increased or decreased by a resolution of the Board. The President or the Secretary shall give a written notice of the meeting to each Director and shall post notice to the general public as required by the Texas Open Meetings Act.

Special Meetings

- 2.11. Special meetings of the Board may be called by or at the request of the President or any two Directors. A person or persons authorized to call special meetings of the Board may fix any place for holding a special meeting. The person or persons calling a special

meeting shall notify the Secretary of the information required to be included in the notice of the meeting. Then, the Secretary shall give written notice of the meeting to each Director not less than five nor more than 30 days before the date of the meeting and shall post notice to the general public as required by the Texas Open Meetings Act.

Notices

- 2.12. All meeting (Annual, Regular, and Special Meetings) notices must be in writing and set forth the time, place and general purposes of the meeting. Notice to Directors may be delivered personally, by facsimile, or by email, or deposited in the mail, with postage paid, addressed to each Director of record at his or her last address (including email or facsimile number) as it appears in the Corporation's records. Notice that is mailed to a Director must be deposited in the mail no less than five (5) days (exclusive of the date of the meeting) before the date of the meeting. Attendance of a Director at a meeting constitutes a waiver of notice, unless the Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.
- 2.13. Public notice of all meetings of the Board, of the Executive Committee, and of all committees authorized by the Board shall be given pursuant to and as required by the Texas Open Meetings Act. Pursuant thereto, notice of all meetings of the Board, except as otherwise permitted by state law, will be posted as described below at least 72 hours before the time of the meeting.
- (a) **Posting of Notice:** Notice to the public of any meeting shall be posted at the administrative offices of the Corporation at a location convenient to the public at least 72 hours before the time of such meeting.
 - (b) **Emergency Notice:** Emergency meetings as may be allowed under the Texas Open Meetings Act may be posted up to two hours before the time of such meeting. The emergency or public necessity for an emergency meeting shall be clearly identified in the notice.
 - (c) **Internet Posting:** Notice and the agenda of all meetings of the Board shall also be posted on the Corporation's website, if any, concurrently with the notice posted at the administrative offices of the Corporation as described above in subsection (a).
 - (d) **Closed Session:** The agenda shall clearly state whether the Board intends to convene in a closed session, and shall identify separately each matter to be deliberated by the Board in the closed session and whether the Board may take action on any such matter upon returning to the open session of the meeting. The Secretary shall note the times in the open session that the Board convenes to and adjourns from the closed session.

Agendas

- 2.14. The order of business of the Board shall be established by an Agenda as presented in the notice of the meetings. The Agenda shall identify all matters to be presented to and considered by the Board. Matters not disclosed in the agenda and meeting notice available to the general public shall not be deliberated or be considered by the Board, except as permitted by the Texas Open Meetings Act.

Quorum

- 2.15. A majority of the number of Directors then serving on the Board shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The Directors present at a duly called or held meeting at which a quorum is present may continue the meeting even if enough Directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of Directors required to constitute a quorum. If less than a quorum is present at any meeting, a majority of the Directors present may adjourn the meeting at any time without further notice.

Actions of Board of Directors

- 2.16. The Board of Directors shall try to act by consensus. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board unless the act of a greater number is required by law or specified in these bylaws. If a quorum is present but thereafter a sufficient number of Directors leave such meeting so that a quorum no longer present, then any action taken by the remaining Directors shall not be the act of the Board.
- 2.17. In accordance with Section 22.164 of the Texas Business Organization Code, the following actions of the Board are fundamental actions that shall require the affirmative vote of the majority of directors then serving on the Board:
- (a) amendment of a certificate of formation;
 - (b) voluntary winding up under Chapter 11;
 - (c) a revocation of a voluntary decision to wind up under Chapter 11;
 - (d) a cancellation of an event requiring winding up under Chapter 11;
 - (e) a reinstatement under Section 11.202;
 - (f) a distribution plan under Section 22.305;
 - (g) a plan of merger under Subchapter F;
 - (h) a sale of all or substantially all of the assets of the Corporation;
 - (i) a plan of conversion under Subchapter F; or
 - (j) a plan of exchange under Subchapter F

Proxies

- 2.18. Board of Directors may not issue a proxy, vote by proxy, or be represented at a meeting of the Board by a proxy.

Resolutions and Minutes

- 2.19. All motions and resolutions of the Board will be written or recorded in the minutes of the Board and certified copies will be placed in the corporate records of the Board. Such records shall be maintained and made available to the public in accordance with state law, the Texas Open Meetings Act and these Bylaws.

Compensation

- 2.20. Directors shall not receive compensation for their services as Directors or as members of any committee of the Board. The Board of Directors may adopt a resolution providing for a reimbursement payment according to state law to the Directors for their necessary and reasonable expenses incurred in the performance of duties as directors of the Corporation.

Removal of Directors

- 2.21. The Board may remove a director, with or without cause, by an affirmative vote of the majority of the directors then serving on the Board, excluding the vote of the director subject to removal. Any director removed by this Section 2.17 shall also be deprived of status as an officer of the Corporation.

ARTICLE 3

OFFICERS

Officer Positions

- 3.01. The officers of the Corporation shall be a President, two Vice Presidents, a Secretary, and a Treasurer. The Board may reduce the number of or create additional officer positions, define the authority and duties of each such position, and elect persons to fill the positions. Any two or more offices may be by the same person, except the offices of President and Secretary.

Election and Term of Office

- 3.02 The officers of the Corporation shall be elected annually by the Board at the annual meeting of the Board by a majority vote of Directors present at such meeting. If the election of officers is not held at this meeting, the election shall be held as soon thereafter as conveniently as possible. Each officer shall hold office until a successor is duly selected and qualified. An officer may be elected to succeed himself or herself in the same office.

Removal

- 3.03 Any officer elected by the Board may be removed by the Board with or without cause by the affirmative vote of a majority of the Directors then serving on the Board. The officer in question shall not vote on the question of removal, but may be present at the meeting and may be counted in determining the presence of a quorum.

Vacancies

- 3.04. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

President

- 3.05. The President shall preside at all meetings of the Board. The President shall perform other duties prescribed by the Board and all duties incident to the office of President.

Vice President

- 3.06. When the President is absent, is unable to act, or refuses to act, the First Vice President shall perform the duties of the President. When the First Vice President is absent, unable to act, or refuses to act, the Second Vice President shall perform the duties of the President. When a Vice President acts in place of the President, the Vice President shall have all the powers of and be subject to all the restrictions upon the President. A Vice president shall perform other duties as assigned by the President or Board.

Treasurer

- 3.07. The Treasurer shall:
- (a) Perform all the duties incident to the office of Treasurer.
 - (b) Perform duties as assigned by the President or by the Board.

Secretary

- 3.08 The Secretary shall:
- (a) Give all notices as provided in these Bylaws or as required by law.
 - (b) Take minutes of the meetings of the Board and keep the minutes as part of the corporate records.
 - (c) Maintain custody of the corporate records and of the seal of the Corporation.
 - (d) Affix the seal of the Corporation to all documents as authorized.
 - (e) Perform duties as assigned by the President or by the Board.
 - (f) Perform all duties incident to the office of Secretary.

Superintendent/CEO

- 3.09 The Superintendent/CEO is the educational leader and chief executive officer (CEO) of the charter schools and the Corporation and is responsible for implementing the policies adopted by the Board. The Superintendent/CEO has the primary administrative responsibility for planning, operation, supervision and evaluation of the education programs, services, and facilities of the charter and for the annual evaluation of employees. The Superintendent/CEO is responsible for maintaining general supervision and exercising supervisory authority over all employees and over all programs for which they are responsible. The Superintendent/CEO shall ensure fiscal, academic and charter accountability to the Board and, in accordance with Section 100.1033 of Chapter 19 of the Texas Administrative Code, the Superintendent shall be responsible for and shall have the duty to (i) organize the charter school's central administration; (ii) approve reports or data submissions required by law; and (iii) select charter school employees or officers. Except for the authority, powers and duties that reserved for or by the Board (by act of the Board, law, regulation or the charter agreements) the Superintendent/CEO shall have all power, authority and duties of the Board. The following duties may not be delegated by the Board to the Superintendent or to any other person or entity:

- (a) Final authority to hear or decide employee grievances, citizen complaints, or parental concerns;

- (b) Final authority to adopt or amend the budget of the charter holder or the charter school, or to authorize the expenditure or obligation of state funds or the use of public property;
 - (c) Final authority to direct the disposition or safekeeping of public records, except that the governing body may delegate this function to any person, subject to the governing body's superior right of immediate access to, control over, and possession of such records;
 - (d) Final authority to adopt policies governing charter school operations;
 - (e) Final authority to approve audit reports under TEC, §44.008(d); or
 - (f) Initial or final authority to select, employ, direct, evaluate, renew, non-renew, terminate, or set compensation for a chief executive officer.
- 3.10 The Board retains all accountability for any delegated powers and duties and the Board remains responsible for the management, operation, and accountability of any charter school operated by the Corporation, regardless of whether the Board delegates any of its powers or duties.

ARTICLE 4

COMMITTEES

Establishment of Committees

- 4.01. Designated committees may be established by the Board to perform the duties and functions assigned in furtherance of Board objectives. The Corporation currently has three committees established pursuant to this Article 4: Facilities & Construction; Finance, and Academic and & Instruction. Any committee may include one or more Directors from the Board selected by the President and approved by the Board. The rules of procedure of any committee may be set by the Board. Any committee may be abolished or any committee member removed for any reason and at any time by the Board. All such committees shall be subject to the direction of the Board and all actions of any committee shall be subject to Board approval. Any actions recommended by a committee to be taken by the Board of Directors shall be presented as a consent agenda item on the agenda for the meeting at which the Board shall consider the action recommended by the committee. A committee shall include two or more Directors and may include persons who are not directors.

Notice of Meetings

- 4.02. Written notice of the time, place and agenda of all committee meetings will be given by the committee chair in the same manner as notices given for regular Board meetings. Each committee will keep and deliver a copy of minutes of its proceedings to the Secretary of the Board and will report briefly on its activities at each Board meeting.

Rules

- 4.03. Each committee may adopt rules for its own operation not inconsistent with the Texas Open Meetings Act, these Bylaws or with rules adopted by the Board..

ARTICLE 5

TRANSACTIONS OF THE CORPORATION

Contracts

- 5.01. The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

Deposit

- 5.02. All funds of the Corporation not otherwise employed will be deposited in banks or other depositories designated by the Board of Directors and in accordance with state law.. All checks, drafts, endorsements, notes and evidences of indebtedness of the Corporation will be signed by such officers or agents and all endorsements for deposits to the credit of the Corporation will be made as authorized by the Board.

Gifts

- 5.03. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation. The Board of Directors may make gifts and give charitable contributions that are not prohibited by the bylaws, the articles of incorporation, state law, and any requirements for maintaining the Corporation's federal and state tax status.

Potential Conflicts of Interest

- 5.04. The Corporation shall not make any loan to a director, officer or employee of the Corporation. The Corporation shall not borrow money from or otherwise transacts business with a member, director, officer, employee or committee member of the Corporation unless the transaction is described fully in a legally binding instrument and is in the best interests of the Corporation. The Corporation shall not borrow money from or otherwise transact business with a director, officer, employee or committee member of the Corporation without full disclosure of all relevant facts and without the approval of the Board, not including the participation or vote of any person having a personal interest in the transaction. Additionally, the Board of Directors shall be subject to the conflict of interest provisions of Section 12. 1054 of the Texas Education Code, any other law applicable to the Corporation regarding a potential conflict of interest and any policy adopted by the Board.

Prohibited Acts

- 5.05. As long as the Corporation is in existence, and except with the prior approval of the Board of Directors, no director, officer or committee member shall:
- (a) Do any act in violation of the Bylaws or a binding obligation of the Corporation.
 - (b) Do any act with the intention of harming the Corporation or any of its operations.

- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.
- (d) Receive an improper benefit from the operation of the Corporation.
- (e) Use the assets of the Corporation, directly or indirectly, for any purpose other than carrying on the business of the Corporation.
- (f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- (g) Use the name of the Corporation (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's business.
- (h) Disclose any of the Corporation business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

ARTICLE 6

BOOKS AND RECORDS

Records

- 6.01. The Corporation will maintain at its principal office all financial books and records of account, all minutes of the Board meetings and committee meetings, the list of directors, and copies of all other material corporate records, books, documents and contracts as required by law. All such records will be made available for inspection at any reasonable time during usual business hours for any lawful purpose to any officer, director, or person authorized by law or the Board to inspect such records, and as required by the Texas Public Information Act. Upon leaving office, each director, officer or agent of the Corporation will turn over to the President in good order any Corporation monies, books, records, minutes, lists, documents, contracts or other property of the Corporation in his or her custody or control.

Annual Report

- 6.02. In addition to such other reports and information as may be required by the Texas Education Code and the interpretive regulations, the Board shall have the financial and programmatic operations of the charter schools audited annually by a certified public accountant licensed by the Texas State Board of Public Accountancy and registered as a provider of public accounting services, and the Board shall review, approve and file a copy of the annual audit report with the Texas Education Agency (TEA) no later than 150 days after the end of the fiscal year for which the audit is made.

ARTICLE 7

FISCAL YEAR

- 7.01 The fiscal year of the Corporation shall begin on the first day of July and end on the last day in June in each year.

ARTICLE 8

INDEMNIFICATION

- 8.01. Any person made or threatened to be made a party to any action in court or other proceeding because he is or was a director or committee member will be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorney's fees, incurred in connection with the defense or settlement of the action, except where it is adjudged that the director or committee member is liable for gross negligence, bad faith, personal gain or willful misconduct in performing his duties. The right of indemnification will not exclude any other right of the director or committee member. INDEMNIFICATION UNDER THIS SECTION IS SUBJECT TO ANY AND ALL PROHIBITIONS, RESTRICTIONS AND LIMITATIONS IMPOSED BY LAW AND SUBJECT TO ANY POLICY ADOPTED OF THE BOARD AND ANY INSURANCE POLICY PROCURED BY THE CORPORATION CONCERNING THE INDEMNIFICATION OBLIGATIONS OF THIS SECTION 8.01.
- 8.02. The Board will have the power to purchase and maintain at the Corporation's expense insurance on behalf of the Corporation, the Board and others.

ARTICLE 09

AMENDMENTS TO BYLAWS

- 9.01 these bylaws may be altered, amended, or repealed, and new bylaws may be adopted by a majority vote of the Directors then serving on the Board. The notice of any meeting at which the bylaws are altered, amended, or repealed, or at which new bylaws are adopted shall include the text of the proposed bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions.

ARTICLE 10

MISCELLANEOUS PROVISIONS

Legal Authorities Governing Constructions of Bylaws

- 10.01 The bylaws shall be construed in accordance with the laws of the State of Texas and are subject to and governed by, and should be read to comply therewith, any applicable federal or state laws and regulations applicable to the Corporation and the charter schools, including the Texas Education Code, interpretive regulations, pertinent local ordinances and the Certificate of Formation of the Corporation and any amendments thereto. All references in the bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

Legal Construction

10.02 If any bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in these bylaws. The headings used in the bylaws are used for convenience and shall not be considered in contorting the terms of the bylaws. Wherever the context requires, all words in the bylaws in the male gender shall be deemed to include female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

Seal

10.03 The Board may provide for a corporate seal and such seal may be inscribed with the Corporation name and year and place of its incorporation.

ARTICLE 11

STATEMENTS OF THE CORPORATION

Statement of Non-Discrimination

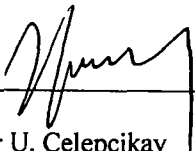
11.01 It The Corporation, in all its activities and programs, shall not discriminate on the basis of sex, national origin, ethnicity, religion, disability or any manner prohibited by law. Any charter school operated by the Corporation will not deny admission based on sex; national origin; ethnicity; religion; disability; academic, artistic, or athletic ability; or the district the child would otherwise attend under state law, or any other factors prohibited by state or federal law.

11.02 The Corporation is formed for charitable and educational purposes, and is and shall be nonprofit and nonpartisan. No substantial part of the activities of the Corporation will consist of the publication or dissemination of materials or statements with the purpose of attempting to influence legislation, and the Corporation will not participate or intervene in any political campaign on behalf of or in opposition to any candidate of public office. No part of the net earnings, properties or assets of this corporation, on dissolution or otherwise shall inure to the benefit of any private person, or any director or officer of this Corporation. On liquidation or dissolution, all properties, assets and obligations will be distributed or paid over to an organization dedicated to charitable and educational purposes that is tax-exempt pursuant to Internal Revenue Code Section 501(c)(3) as amended or as otherwise required by state and federal law.

-----End of the text-----

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the Corporation and that the foregoing Bylaws constitute the Bylaws of the Corporation. These Bylaws were duly adopted at a meeting of the Board of Directors held on August 22, 2012.

By  _____

Dr. Oner U. Celepcikay
President, Board of Directors
Harmony Public Schools