ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS

CONSOLIDATED FINANCIAL STATEMENTS WITH COMPLIANCE AND SINGLE AUDIT REPORTING

August 31, 2023 and 2022

Randy Walker & Co., Certified Public Accountants

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATED FINANCIAL STATEMENTS WITH COMPLIANCE AND SINGLE AUDIT REPORTING
August 31, 2023 and 2022

Table of Contents

Certificate of Board	1
Independent Auditor's Report	2-4
General-Purpose Financial Statements	
Consolidated Statements of Financial Position	5
Consolidated Statement of Activities	6
Consolidated Statement of Functional Expenses	7
Consolidated Statements of Cash Flows	8
Notes to Financial Statements	9-22
Specific-Purpose Financial Statements	
Statements of Financial Position	
Orenda Education (Charter Holder)	23
Orenda Education (Charter School)	24
Statement of Activities	
Orenda Education (Charter Holder)	25
Orenda Education (Charter School)	26
Statements of Cash Flows	
Orenda Education (Charter Holder)	27
Orenda Education (Charter School)	28
Schedule of Expenses	29
Schedule of Capital Assets	30
Budgetary Comparison Schedule	31
Notes to Budgetary Comparison Schedule	32
Use of Funds Report - Select State Allotment Programs	33
Schedule of Related Party Compensation and Benefits	34
Schedule of Related Party Transactions	35
Schedule of Real Property Ownership Interest	36
Consolidating Financial Statements	
Consolidating Statement of Financial Position	37
Consolidating Statement of Activities	38
Consolidating Statement of Functional Expenses	39
Single Audit Section	
Schedule of Expenditures of Federal and State Awards	40
Notes to Schedule of Expenditures of Federal and State Awards	41

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATED FINANCIAL STATEMENTS WITH COMPLIANCE AND SINGLE AUDIT REPORTING
August 31, 2023 and 2022

Table of Contents
-continued-

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	42-43
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	44-46
Schedule of Findings and Questioned Costs	47
Summary Schedule of Prior Audit Findings	48

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS

Federal Employer Identification Number: 74-2774612

Certificate of Board

We, the undersigned, certify that the attached annual financial reports of the above-named charter holder were reviewed and (check one) ✓ approved _____ disapproved for the year ended August 31, 2023, at a meeting of the Board of Directors of such charter holder on the 15th day of January, 2024.

Signature of Board Secretary

Signature of Board President

If the Board of Directors disapproved the auditor's report, the reason(s) for disapproving it is (are):
(attach list as necessary)

RWC | Randy Walker & Company
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Orenda Education dba Orenda
Charter Schools
Georgetown, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Orenda Education dba Orenda Charter Schools (the Organization), a nonprofit organization, which comprise the consolidated statement of financial position as of August 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of August 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The specific-purpose financial statements on pages 23-36, the consolidating financial statements on pages 37-39, and the accompanying schedule of expenditures of federal and state awards

on page 40, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2024 on pages 42-43 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standar*ds in considering the Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Randy Walker & Co.

San Antonio, Texas
January 15, 2024

GENERAL-PURPOSE FINANCIAL STATEMENTS

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
August 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**$ 20,959,292**	$ 10,827,955
Accounts Receivable	**158,407**	62,600
Due from Texas Education Agency	**1,996,005**	3,249,515
Other Receivables	**101,340**	-
Prepaid Expenses	**197,727**	130,765
Total Current Assets	**23,412,771**	14,270,835
LONG-TERM ASSETS		
Long-Term Investments	**1,231,657**	1,137,119
Sinking Fund for Bonds Payable	**2,799,470**	2,326,919
Operating Lease Right-of-Use Assets	**141,806**	-
Finance Lease Right-of-Use Assets, net	**35,952**	-
Property and Equipment, net	**52,686,461**	47,606,003
Total Long-Term Assets	**56,895,346**	51,070,041
TOTAL ASSETS	**$ 80,308,117**	$ 65,340,876
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	**$ 805,096**	$ 989,083
Accrued Expenses	**1,146,766**	1,093,198
Operating Lease Payables - current	**145,497**	-
Finance Lease Payable - current	**17,556**	-
Deferred Revenue	**163,198**	134,610
Other Liabilities	**129,478**	118,744
Bonds Payable - current	**865,000**	660,000
Total Current Liabilities	**3,272,591**	2,995,635
LONG-TERM LIABILITIES		
Finance Lease Payable - long-term	**19,895**	-
Bonds Payable - long-term, net	**51,675,382**	39,197,367
Total Long-Term Liabilities	**51,695,277**	39,197,367
TOTAL LIABILITIES	**54,967,868**	42,193,002
NET ASSETS		
Without Donor Restrictions	**23,550,588**	21,611,382
With Donor Restrictions	**1,789,661**	1,536,492
TOTAL NET ASSETS	**25,340,249**	23,147,874
TOTAL LIABILITIES AND NET ASSETS	**$ 80,308,117**	$ 65,340,876

The accompanying notes are an integral part of these financial statements.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2023
(summarized for 2022)

	2023			
	Without Donor Restrictions	With Donor Restrictions	Total	2022 Total
OPERATING REVENUES AND OTHER SUPPORT				
Local Support:				
Contributions	$ 583,021	$ -	**$ 583,021**	$ 662,281
Food Service Activity	503,821	-	**503,821**	461,452
Miscellaneous Revenue from Intermediate Sources	393,987	-	**393,987**	333,485
Earnings from Temporary Deposits and Investments	241,845	-	**241,845**	8,554
E-Rate Revenue	101,340	-	**101,340**	101,340
Athletic Activities	67,926	-	**67,926**	52,643
In-Kind Donations	-	-	**-**	38,000
Total Local Support	1,891,940	-	**1,891,940**	1,657,755
State Program Revenues:				
Foundation School Program Act Revenues	-	17,926,263	**17,926,263**	17,803,634
State Program Revenues Distributed by Texas Education Agency	-	83,158	**83,158**	180,221
Total State Program Revenues	-	18,009,421	**18,009,421**	17,983,855
Federal Program Revenues:				
Federal Revenues Distributed by Texas Education Agency	-	1,435,940	**1,435,940**	2,318,249
Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	-	166,623	**166,623**	248,575
Total Federal Program Revenues	-	1,602,563	**1,602,563**	2,566,824
Net Assets Released From Restrictions				
Restrictions Satisfied By Payments	19,358,815	(19,358,815)	**-**	-
TOTAL OPERATING REVENUES AND OTHER SUPPORT	21,250,755	253,169	**21,503,924**	22,208,434
OPERATING EXPENSES				
Program	16,257,677	-	**16,257,677**	15,389,355
General and Administrative	2,867,163	-	**2,867,163**	2,731,569
Fundraising	281,247	-	**281,247**	253,797
TOTAL OPERATING EXPENSES	19,406,087	-	**19,406,087**	18,374,721
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	1,844,668	253,169	**2,097,837**	3,833,713
NON-OPERATING ACTIVITY				
Investment Income (Loss)	94,538	-	**94,538**	(175,020)
TOTAL NON-OPERATING ACTIVITY	94,538	-	**94,538**	(175,020)
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	1,939,206	253,169	**2,192,375**	3,658,693
NET ASSETS, Beginning of Year	21,611,382	1,536,492	**23,147,874**	19,489,181
NET ASSETS, End of Year	$ 23,550,588	$ 1,789,661	**$ 25,340,249**	$ 23,147,874

The accompanying notes are an integral part of these financial statements.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended August 31, 2023
(summarized for 2022)

	2023				
	Program	General and Administrative	Fundraising	Total	2022 Total
OPERATING EXPENSES					
Salaries	$ 8,782,079	$ 1,843,150	$ 216,841	**$ 10,842,070**	$ 9,875,948
Payroll Taxes and Benefits	1,192,354	232,654	29,082	**1,454,090**	1,302,618
Total Payroll Expenses	9,974,433	2,075,804	245,923	**12,296,160**	11,178,566
Interest	1,606,850	83,797	-	**1,690,647**	1,579,124
Depreciation	1,433,715	75,459	-	**1,509,174**	1,387,090
Maintenance and Repair	677,607	10,319	-	**687,926**	535,573
General Supplies	548,168	35,406	6,529	**590,103**	652,982
Utilities	542,284	28,541	-	**570,825**	564,613
Contract Labor	380,998	67,235	-	**448,233**	788,149
Rental Expense	288,846	32,094	-	**320,940**	454,402
Miscellaneous	124,778	124,778	27,729	**277,285**	248,741
Insurance and Bonding	21,692	219,329	-	**241,021**	198,858
Food	230,095	-	-	**230,095**	202,185
Instructional Materials	156,272	-	-	**156,272**	207,057
Bond Amortization	117,123	6,164	-	**123,287**	89,269
Travel	78,928	26,665	1,066	**106,659**	78,238
Professional Fees	-	47,226	-	**47,226**	99,918
Educational Service Center	34,072	5,547	-	**39,619**	60,386
Dues and Subscriptions	5,563	25,345	-	**30,908**	29,605
Gas and Fuel	22,439	-	-	**22,439**	19,965
Lease Amortization	13,814	3,454	-	**17,268**	-
TOTAL OPERATING EXPENSES	$ 16,257,677	$ 2,867,163	$ 281,247	**$ 19,406,087**	$ 18,374,721

The accompanying notes are an integral part of these financial statements.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	**$ 2,192,375**	$ 3,658,693
Adjustments to Reconcile Net Excess to Net Cash		
Provided by Operations:		
Depreciation and Amortization	**1,649,729**	1,476,359
Unrealized (Gain) Loss on Investments	**(58,332)**	230,387
(Increase) Decrease in Assets:		
Accounts Receivable	**(95,807)**	(14,198)
Due from Texas Education Agency	**1,253,510**	(1,242,071)
Other Receivables	**(101,340)**	101,340
Prepaid Expenses	**(66,962)**	150,836
Operating Lease Right-of-Use Asset	**(141,806)**	-
(Decrease) Increase in Liabilities:		
Accounts Payable	**(183,987)**	523,509
Accrued Expenses	**53,568**	136,399
Operating Lease Payable	**145,497**	-
Due to Texas Education Agency	**-**	(22,460)
Deferred Revenue	**28,588**	40,741
Other Liabilities	**10,734**	17,186
NET CASH PROVIDED BY OPERATING ACTIVITIES	**4,685,767**	5,056,721
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	**(6,589,633)**	(9,045,021)
Purchases of Investments	**(36,206)**	(56,735)
NET CASH USED BY INVESTING ACTIVITIES	**(6,625,839)**	(9,101,756)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments into Sinking Fund	**(472,551)**	(381,874)
Payments on Finance Lease Obligation	**(16,813)**	-
Proceeds from Issuance of Bonds	**14,100,000**	-
Payment of Bond Issue Costs	**(879,227)**	-
Payments on Bonds Payable	**(660,000)**	(635,000)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	**12,071,409**	(1,016,874)
NET INCREASE (DECREASE) IN CASH FLOWS	**10,131,337**	(5,061,909)
CASH AND CASH EQUIVALENTS, Beginning of Year	**10,827,955**	15,889,864
CASH AND CASH EQUIVALENTS, End of Year	**$ 20,959,292**	$ 10,827,955
Supplemental Disclosures:		
Bond Interest	**$ 1,673,928**	$ 1,579,124
Interest Paid on Finance Lease	**$ 2,019**	$ -
Right-of-Use Asset Obtained Through Finance Lease	**$ 69,050**	$ -

The accompanying notes are an integral part of these financial statements.

Note 1 - Nature of Business and Significant Accounting Policies

Reporting Entity and Corporate Operations

Orenda Education (the Charter Holder) dba Orenda Charter Schools is a 501(c)(3) not-for-profit organization incorporated in the State of Texas in 1995. The Charter Holder is governed by a Board Directors comprised of five members. The Board of Directors (the Board) is selected pursuant to the bylaws of the Charter Holder and has the authority to make decisions, appoint the chief executive officer of the Charter Holder, and significantly influence operations. The Board has the primary accountability for the fiscal affairs of the Charter Holder.

In 2001, the State Board of Education of the State of Texas granted the Charter Holder an open-enrollment charter pursuant to Chapter 12 of the Texas Education Code. Pursuant to the program described in the charter application approved by the State Board of Education and the terms of the charter application Contract for Charter, Orenda Charter School (the School) was opened for the academic year 2002-2003. It was organized to provide educational services to students in grades Kindergarten through 12th grade, and the Charter Holder's Board of Directors governs its programs, services, activities, and functions.

As of August 31, 2023, the School operates five campus locations. Since the Charter Holder and the School receive funding from local, state, and federal government sources, they must comply with the requirements of the entities providing those funds.

Principles of Consolidation

The accompanying consolidated financial statements as of August 31, 2023 and 2022, include the financial statements of the Charter Holder and the School (collectively, the Organization). Intercompany transactions and balances have been eliminated in the consolidation.

Basis of Presentation

The consolidated financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Financial Accounting Standards Board (FASB) is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles. The more significant of the Organization's accounting policies are described below:

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting in accordance with GAAP.

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Note 1 - Nature of Business and Significant Accounting Policies (continued)

Basis of Presentation (continued)

- *Net Assets Without Donor Restrictions* – Net assets available for use in the general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board are reported as net assets without donor restrictions, board-designated.
- *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions that are more restrictive than the Organization's mission and purpose. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Grants and Contributions

The Organization records grants and contributions in accordance with Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Grants and contributions restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the grants and contributions are recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is a not-for-profit entity and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from income and sales taxes. As of August 31, 2023, the tax years that remain subject to examination by taxing authorities begin with 2020.

Note 1 - Nature of Business and Significant Accounting Policies (continued)

Cash and Cash Equivalents

For consolidated financial statement purposes, the Organization considers all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents.

Investments

Investments are comprised primarily of certificates of deposit and mutual funds that are recorded at fair value based on quoted market prices. There were no investment fees for the years ended August 31, 2023 and 2022. All dividends, interest, and unrealized/realized gains (losses) are reported as investment income (loss) in the accompanying consolidated statement of activities.

Property and Equipment

Property and equipment are defined as assets with an individual cost of more than $5,000. Such assets are recorded at historical cost and are depreciated over the estimated useful lives of the assets, which range from three to forty years, using the straight-line method of depreciation. Expenditures for additions, major renewals, and betterments are capitalized, and maintenance and repairs are charged to expense as incurred. Donations of assets are recorded as direct additions to net assets at fair value at the date of donation, which is then treated as cost.

Recently Adopted Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This pronouncement requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The pronouncement includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new pronouncement, as amended, is to be applied retrospectively, to annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. The Organization adopted this pronouncement effective September 1, 2021.

In February 2016, the FASB issued ASU 2016-02, *Leases.* This pronouncement provides new guidance regarding lease accounting for reporting periods beginning after December 15, 2021, whereby a lessee will be required to recognize on the statement of financial position the assets and liabilities for leases with lease terms of more than twelve months. The Organization adopted this new pronouncement using the effective date method on September 1, 2022. The change had a cumulative effect of $3,691 as of this date and was included in rental expense in the consolidated statement of functional expenses for the year ended August 31, 2023.

Note 1 - Nature of Business and Significant Accounting Policies (continued)

Leases

The Organization may have lease agreements that contain both lease and non-lease components as defined by ASC 842. The Organization has elected the practical expedient, by class of underlying asset, to account for lease and non-lease components as a single lease component. The underlying assets include copier machines and office space recognized as right-of-use assets in the statements of financial position.

As the Organization's leases do not provide an implicit rate, a risk-free rate is used based on the information available at commencement date in determining the present value of lease payments. The risk-free rate is the rate of a zero-coupon U.S. Treasury instrument for the same period of time as the lease term.

Revenue - Exchange Transactions

The Organization receives revenue through various exchange transactions, including fundraisers and after-school activities (classified as miscellaneous revenue from intermediate sources in the consolidated statement of activities), food sales, and athletic activities. The revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for holding the event, selling the food items, or conducting the activity. Revenue is recognized as performance obligations are satisfied, which is at point of sale or a point in time when the event, sale, or activity occurs. There were no receivables, contract assets, or contract liabilities related to these exchange transactions at August 31, 2023, August 31, 2022, or September 1, 2021. For the years ended August 31, 2023 and 2022, substantially all fundraising event revenue consisted of contributions (non-exchange), which are recognized as revenue when received. Disaggregation of revenue is presented on the face of the consolidated statement of activities.

Note 2 - Due from/to State and Federal Government

At August 31, 2023 and 2022, the School had $1,996,005 and $3,249,515, respectively, in receivables due from Texas Education Agency (TEA) related to various state grants and Foundation School Program (FSP) revenue. All amounts receivable are deemed by management to be fully collectible; therefore, no allowance for uncollectible accounts is considered necessary.

Note 3 - Commitments and Contingencies

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

Note 4 - Concentration of Credit Risk

The Organization maintains several cash and investment accounts at various financial institutions and investment companies. Cash account balances are insured by the Federal Deposit Insurance Corporation up to $250,000 per bank. The Organization also has an agreement with its bank institutions where the banks provide pledged collateral in the Organization's name in the event deposits exceed FDIC limits. Therefore, the Organization has no uninsured cash balances. Investment account balances are insured by the Securities Investor Protection Corporation up to $500,000. At August 31, 2023 and 2022, respectively, uninsured investment account balances totaled $731,657 and $637,119.

Note 5 - Health and Life Insurance Coverage

During the years ended August 31, 2023 and 2022, employees of the School were covered by a health insurance plan and life insurance plan. The School contributed up to $378 per employee per month based on the employee-selected plan during the years ended August 31, 2023 and 2022. Employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. All premiums were paid to licensed insurers. The School pays $1.17 per employee per month for life insurance. The School's contributions towards health and life insurance were $690,925 and $669,722 for the years ended August 31, 2023 and 2022, respectively.

Note 6 - Regulated Industry

The majority of the Organization's activities and revenues are a result of contracts with TEA. The Organization's operations are concentrated in the education field. As such, the Organization operates in a heavily regulated environment. The operations of the Organization are subject to administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to, TEA. Such administrative directives, rules, and regulations are subject to change by an act of Congress, an act of the state legislature, or an administrative change mandated by TEA. Funding may be changed or decreased as a result of the above legislative or administrative changes.

Note 7 - Functional Allocation of Expenses

The costs of providing the services and other activities of the Organization have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll expenses which are allocated on the basis of estimates of time and effort, as well as supplies, depreciation, maintenance and repair, and various other expenses which are allocated on the basis of square footage or some other reasonable basis.

Note 8 - Subsequent Events

The Organization has evaluated subsequent events through January 15, 2024, which is the date the financial statements were available to be issued.

Note 9 - Property and Equipment

Property and equipment consisted of the following at August 31:

	Orenda Education (Charter Holder)	
	2023	2022
Land and Improvements, net	**$ 1,128,728**	$ 1,128,728
Buildings and Improvements	**1,599,634**	1,599,634
Furniture and Equipment	**50,085**	50,085
	2,778,447	2,778,447
Less Accumulated Depreciation	**(321,589)**	(273,480)
Total	**$ 2,456,858**	$ 2,504,967

As of August 31, 2023 and 2022, land and improvements of $1,128,728 is net of $140,471 in escrow funds received for future roadway improvements. These funds consist of $137,716 used to obtain a certificate of deposit as collateral for a letter of credit with a local financial institution and 2% for bank fees. The beneficiary of the letter of credit is the City of Georgetown.

	Orenda Charter School	
	2023	2022
Buildings and Improvements	**$ 44,583,809**	$ 43,251,552
Land	**6,254,595**	6,254,595
Construction in Progress	**6,301,468**	1,112,779
Vehicles	**607,237**	564,365
Furniture and Equipment	**1,556,368**	1,530,554
	59,303,477	52,713,845
Less Accumulated Depreciation	**(9,073,874)**	(7,612,809)
Total	**$ 50,229,603**	$ 45,101,036

Depreciation expense for the years ended August 31, 2023 and 2022 was $1,509,174 and $1,387,090, respectively. Fixed asset additions are included in net assets released from restrictions on the consolidated statement of activities.

Note 10 - Right-of-Use Operating Leases

The Organization leases office space under multiple rental agreements with various expiration dates and monthly payment amounts. The Organization has adopted ASU 2016-02, *Leases*, as described in Note 1. Therefore, these leases are treated as right-of-use operating leases as ownership does not transfer at the end of the lease term. The balance of the right-of-use leased assets was $141,806 and $-0- at August 31, 2023 and 2022, respectively. The balance of the right-of-use lease payables was $145,497 and $-0- at August 31, 2023 and 2022, respectively. Rent expense related to these agreements was $225,216 and $116,063 for the years ended August 31, 2023 and 2022, respectively.

The related future minimum lease payments under these right-of-use operating leases are as follows:

Years Ending August 31,		
2024	$	148,207
		148,207
Less: Interest (4.33%)		(2,710)
Total	$	145,497

Note 11 - Right-of-Use Finance Lease

The Organization leases copier machines under a finance lease that expires in September 2025 with a monthly payment of $1,569. The Organization has adopted ASU 2016-02, *Leases,* as described in Note 1. Therefore, the right-of-use leased equipment was carried at cost of $69,050 less accumulated amortization of $33,098 and $-0- at August 31, 2023 and 2022, respectively. The balance of the lease payable was $37,451 and $-0- at August 31, 2023 and 2022, respectively. Interest expense related to this lease was $2,019 and $-0- for the years ended August 31, 2023 and 2022, respectively.

The related future minimum lease payments under this right-of-use finance lease are as follows:

Years Ending August 31,		
2024	$	18,831
2025		18,831
2026		1,569
		39,231
Less: Interest (4.33%)		(1,780)
Total	$	37,451

Note 12 - Net Assets with Donor Restrictions

Net assets with donor restrictions were for the following purposes at August 31:

	2023	2022
TTR Miscellaneous	**$ 2,000**	$ 2,000
TX Educator Excellence Grant	**3,500**	3,500
Gateway CPS Legacy	**600**	600
Foundation School Program	**1,783,561**	1,530,392
Total	**$ 1,789,661**	$ 1,536,492

Net assets released from restrictions are reflected in the consolidated statement of activities and include amounts capitalized as fixed assets.

Note 13 - Bonds Payable

The Organization's obligations under bonds payable include Taxable Education Revenue Bonds (Series 2011Q) issued through the Texas Public Finance Authority Charter School Finance Corporation. These bonds are dated December 1, 2011. The Series 2011Q bonds closed and funded on December 1, 2011, with all proceeds being held by the Bank of Texas. The bonds' proceeds will be used for property acquisition and construction at the Gateway College Preparatory Campus and were underwritten by Piper Jaffray & Co. The interest rates on the bonds range from 7.25% to 8%, and the terms of the bonds range from nine to thirty years.

The Organization's bond obligations also include Education Revenue Refunding Bonds (Series 2015A). These bonds closed and funded on August 20, 2015, with all proceeds being held by Bank of Texas. The bonds' proceeds will be used for expansion of the Gateway College Preparatory Campus. The bonds were underwritten by Oppenheimer & Co. The interest rates on the bonds range from 1% to 4%, and the terms of the bonds range from four to twenty-nine years.

The Organization's bond obligations also consist of Education Revenue Bonds (Series 2017) issued through the Newark Higher Education Finance Corporation. These bonds closed and funded on June 20, 2017, with all proceeds being held by Bank of Texas. The bonds' proceeds will be used for expansion of the Gateway College Preparatory Campus. The bonds were underwritten by Oppenheimer & Co. The interest rates on the bonds range from 3% to 5%, and the term of the bonds is thirty years. The bond issue included a premium of $621,203.

The Organization's bond obligations also consist of Education Revenue Bonds (Series 2023) issued through the Newark Higher Education Finance Corporation. These bonds closed and funded on May 11, 2023, with all proceeds being held by Bank of Texas. The bonds' proceeds will be used for expansion of the Gateway College Preparatory Campus. The bonds were underwritten by Herbert J. Sims & Co. The interest rates on the bonds range from 3.5% to 4.75%, and the term of the bonds range from two to thirty-five years. The bond issue included a premium of $22,685.

Note 13 - Bonds Payable (continued)

All bonds are subject to optional bond call at any time prior to maturity.

As of August 31, bonds payable - long-term consisted of the following:

	2023	2022
Series 2011Q	**$ 5,250,000**	$ 5,250,000
Series 2015A	**14,355,000**	14,505,000
Series 2017	**20,880,000**	21,390,000
Series 2023	**14,100,000**	-
	54,585,000	41,145,000
Less Current Maturities	**(865,000)**	(660,000)
Less Bond Issuance Costs, net	**(2,044,618)**	(1,287,633)
Total	**$ 51,675,382**	$ 39,197,367

Future minimum principal payments on the bonds payable are as follows:

Year Ending August 31,	
2024	$ 865,000
2025	910,000
2026	945,000
2027	990,000
2028	1,030,000
Thereafter	49,845,000
Total	$ 54,585,000

The Organization makes monthly principal payments to the sinking fund in anticipation of payments to be made to the bondholders when due. The balance of the sinking fund as of August 31, 2023 and 2022 was $2,799,470 and $2,326,919, respectively.

As part of the loan agreements for the bonds, the Organization is required to establish and maintain several trustee-held funds, which are not available for general use. Furthermore, the loan agreements contain certain financial covenants, with which the Organization was in compliance for the years ended August 31, 2023 and 2022.

The Organization receives an annual Qualified School Construction Bond federal subsidy to assist in the payment of interest on the bonds. During the years ended August 31, 2023 and 2022, the Organization received the subsidy benefit of $266,629 and $396,575, respectively, which was paid directly to the bond trustee on behalf of the Organization. Bond interest expense, net of this subsidy benefit, was $1,688,628 and $1,579,124 for the years ended August 31, 2023 and 2022, respectively.

Note 14 - In-Kind Donations

The Organization receives various forms of in-kind donations, including donated supplies from families and members of the community. In-kind donations are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. Contributed goods are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor.

In-kind goods were as follows for the years ended August 31:

	2023	2022
In-Kind Goods:		
PPE Supplies	**$ -**	$ 38,000
Total In-Kind Goods	**$ -**	$ 38,000

In-kind donations are reflected in total in the consolidated statement of activities and did not have donor restrictions for the years ended August 31, 2023 and 2022.

Note 15 - Intercompany Transactions

The School reimburses the Charter Holder each month for certain expenses incurred to sponsor the school charter and to provide governance, executive planning, and financial and management services for the School. The total amount of these expenses was $96,408 and $102,465 for the years ended August 31, 2023 and 2022, respectively. This transaction is eliminated in the consolidated financial statements. However, the amount is reflected as professional services revenue in the statement of activities included in the specific-purpose financial statements of the Charter Holder.

The Charter Holder received contributions for Gateway College Preparatory School in the amount of $583,021 and $662,281 from the School for the years ended August 31, 2023 and 2022, respectively. These contributions are eliminated in the consolidated financial statements.

The Charter Holder and the School have adopted policies that address intercompany transactions.

Note 16 - Pension Plan Obligations

Plan Description

The School contributes to the Teacher Retirement System of Texas (TRS), a public employee retirement system.

Note 16 - Pension Plan Obligations (continued)

It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the School, but are the liability of the state of Texas. TRS provides service retirement, disability retirement, and death benefits to plan members and beneficiaries. TRS operates under the authority of provisions contained primarily in Texas Government Code, Title 8*, Public Retirement Systems,* Subtitle C, *Teacher Retirement System of Texas,* which is subject to amendment by the Texas Legislature. TRS's annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River, Austin, Texas 78701-2698 or by calling (800) 877-0123.

The TRS plan differs from a single-employer plan as follows:

- Charter schools are legally separate entities from the state and each other.
- Assets contributed by one charter school or independent school district (ISD) may be used for the benefit of an employee of another ISD or charter school.
- The unfunded obligations get passed along to the other charter schools and ISDs.
- There is no withdrawal penalty for leaving the TRS system.

Total plan assets, accumulated benefit obligations, and % funded are as follows:

Total Plan Assets - $213,472,526,000
Accumulated Benefit Obligations - $245,560,966,350
The plan is 77.5% funded.

There are no collective-bargaining agreements.

Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) the state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) a state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Under provisions in state law, plan members are required to contribute 8% of their annual covered salary and the State of Texas contributes an amount equal to 8% of the School's covered payroll.

The School employees' contributions to the TRS for the years ended August 31, 2023 and 2022 were $905,456 and $807,010, respectively, equal to the required contributions for each year.

Other contributions made from federal and private grants and from the School for salaries above the statutory minimum for the years ended August 31, 2023 and 2022 were $177,157 and $121,647, respectively, equal to the required contributions for each year.

Note 16 - Pension Plan Obligations (continued)

The School's contributions to TRS were $534,264 and $419,268 for the years ended August 31, 2023 and 2022, respectively, which include Non-OASDI participating surcharges of $188,419 and $158,623, respectively. The School's contributions did not represent more than 5% of the total contributions to the plan (i.e., total plan assets). There have been no changes that would affect the comparison of employer contributions from year to year.

Note 17 - Fair Value of Financial Instruments

The Organization adopted the provisions of ASC 820, *"Fair Value Measurements and Disclosures"* (formerly SFAS 157). ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market, and establishes a framework for measuring fair value in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The adoption of ASC 820 did not affect the Organization's financial position or results of operations.

The valuation techniques required by ASC 820 are based upon observable and unobservable inputs, and ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority.
- Level 2 valuations are based on quoted prices in markets that are not active.
- Level 3 valuations are based on inputs that are unobservable and supported by little or no market activity.

The Organization's current assets and liabilities as presented in the consolidated statements of financial position are Level 1. The Organization does not have Level 2 or Level 3 assets or liabilities. The carrying amounts reported in the consolidated statements of financial position approximate fair values because of the short maturities of those instruments.

The Organization's financial instruments also include investments. The fair value of investments are based on quoted market prices for those or similar investments.

The following table represents investments measured at fair value as reported on the consolidated statement of financial position as of August 31, 2023, as well as by level within the fair value measurement hierarchy:

	Level 1	Level 2	Level 3	Total
Money Market Funds	**$ 130,187**	**$ -**	**$ -**	**$ 130,187**
Mutual Funds	**1,089,428**	**-**	**-**	**1,089,428**
Stocks	**12,042**	**-**	**-**	**12,042**
	$ 1,231,657	**$ -**	**$ -**	**$ 1,231,657**

Note 17 - Fair Value of Financial Instruments (continued)

The following table represents investments measured at fair value as reported on the consolidated statement of financial position as of August 31, 2022, as well as by level within the fair value measurement hierarchy:

	Level 1	Level 2	Level 3	Total
Money Market Funds	$ 127,057	$ -	$ -	$ 127,057
Mutual Funds	998,590	-	-	998,590
Stocks	11,472	-	-	11,472
	$ 1,137,119	$ -	$ -	$ 1,137,119

Investment income (loss) consisted of the following at August 31:

	Orenda Education (Charter Holder)	
	2023	2022
Interest/Dividends	**$ 36,206**	$ 63,921
Unrealized Gain (Loss)	**58,332**	(238,941)
Total	**$ 94,538**	$ (175,020)

	Orenda Charter School	
	2023	2022
Interest/Dividends	**$ -**	$ -
Unrealized Gain	**241,845**	8,554
Total	**$ 241,845**	$ 8,554

Note 18 - Liquidity and Availability of Financial Resources

The following reflects the Organization's financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use because of donor-stipulated restrictions.

	2023	2022
Cash and Cash Equivalents	**$ 20,959,292**	$ 10,827,955
Investments	**1,231,657**	1,137,119
Accounts Receivable	**158,407**	62,600
Due from Texas Education Agency	**1,996,005**	3,249,515
Other Receivables	**101,340**	-
Total Financial Assets	**24,446,701**	15,277,189
Donor Restrictions (net of Foundation School Program)	**(6,100)**	(6,100)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	**$ 24,440,601**	$ 15,271,089

The Organization's primary sources of cash flow include Foundation School Program funds from TEA, which are classified as net assets with donor restrictions on the consolidated statements of financial position. However, restrictions are part of the Organization's mission that make them available for general expenditure within one year of the consolidated statement of financial position date. The Organization has a consistent inflow of cash throughout the year to cover normal operating expenses.

Note 19 - Prior Year Reclassification

The following reclassification between accounts was made to the financial statements for the year ended August 31, 2022: $45,450 from federal revenues distributed by TEA to federal revenues distributed by other State of Texas government agencies (other than TEA) in the consolidated statement of activities. The reclassification had no effect on the previously reported change in net assets.

SPECIFIC-PURPOSE FINANCIAL STATEMENTS

ORENDA EDUCATION (CHARTER HOLDER)
STATEMENTS OF FINANCIAL POSITION
August 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**$ 3,544,365**	$ 3,526,394
Total Current Assets	**3,544,365**	3,526,394
LONG-TERM ASSETS		
Long-Term Investments	**1,231,657**	1,137,119
Property and Equipment, net	**2,456,858**	2,504,967
Total Long-Term Assets	**3,688,515**	3,642,086
TOTAL ASSETS	**$ 7,232,880**	$ 7,168,480
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Other Liabilities	**$ 500**	500
Accrued Expenses	**12,205**	11,834
Total Current Liabilities	**12,705**	12,334
TOTAL LIABILITIES	**12,705**	12,334
NET ASSETS		
Without Donor Restrictions	**7,219,575**	7,155,546
With Donor Restrictions	**600**	600
TOTAL NET ASSETS	**7,220,175**	7,156,146
TOTAL LIABILITIES AND NET ASSETS	**$ 7,232,880**	$ 7,168,480

See independent auditor's report.

ORENDA EDUCATION (CHARTER SCHOOL)
STATEMENTS OF FINANCIAL POSITION
August 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**$ 17,414,927**	$ 7,301,561
Accounts Receivable	**158,407**	62,600
Due from Texas Education Agency	**1,996,005**	3,249,515
Other Receivables	**101,340**	-
Prepaid Expenses	**197,727**	130,765
Total Current Assets	**19,868,406**	10,744,441
LONG-TERM ASSETS		
Property and Equipment, net	**50,229,603**	45,101,036
Operating Lease Right-of-Use Assets	**141,806**	-
Finance Lease Right-of-Use Assets, net	**35,952**	-
Sinking Fund for Bonds Payable	**2,799,470**	2,326,919
Total Long-Term Assets	**53,206,831**	47,427,955
TOTAL ASSETS	**$ 73,075,237**	$ 58,172,396
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	**$ 805,096**	$ 989,083
Accrued Expenses	**1,134,561**	1,081,364
Operating Lease Payables - current	**145,497**	-
Finance Lease Payable - current	**17,556**	-
Deferred Revenue	**163,198**	134,610
Other Liabilities	**128,978**	118,244
Bonds Payable - current	**865,000**	660,000
Total Current Liabilities	**3,259,886**	2,983,301
LONG-TERM LIABILITIES		
Finance Lease Payable - long-term	**19,895**	-
Bonds Payable - long-term, net	**51,675,382**	39,197,367
Total Long-Term Liabilities	**51,695,277**	39,197,367
TOTAL LIABILITIES	**54,955,163**	42,180,668
NET ASSETS		
Without Donor Restrictions	**16,331,013**	14,455,836
With Donor Restrictions	**1,789,061**	1,535,892
TOTAL NET ASSETS	**18,120,074**	15,991,728
TOTAL LIABILITIES AND NET ASSETS	**$ 73,075,237**	$ 58,172,396

See independent auditor's report.

ORENDA EDUCATION (CHARTER HOLDER)
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2023
(summarized for 2022)

	2023			
	Without Donor Restrictions	With Donor Restrictions	Total	2022 Total
OPERATING REVENUES AND OTHER SUPPORT				
Contributions	$ 583,021	$ -	**$ 583,021**	$ 662,281
Miscellaneous Income	120,652	-	**120,652**	78,935
Professional Services	96,408	-	**96,408**	102,465
In-Kind Donations	-	-	**-**	38,000
TOTAL OPERATING REVENUES AND OTHER SUPPORT	800,081	-	**800,081**	881,681
OPERATING EXPENSES				
Charitable Contributions	583,021	-	**583,021**	662,281
Miscellaneous Expense	142,800	-	**142,800**	136,189
Salaries and Benefits	53,160	-	**53,160**	52,198
Depreciation and Amortization	48,109	-	**48,109**	48,109
Professional Fees	3,500	-	**3,500**	2,900
TOTAL OPERATING EXPENSES	830,590	-	**830,590**	901,677
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	(30,509)	-	**(30,509)**	(19,996)
NON-OPERATING ACTIVITY				
Investment Income (Loss)	94,538	-	**94,538**	(175,020)
TOTAL NON-OPERATING ACTIVITY	94,538	-	**94,538**	(175,020)
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	64,029	-	**64,029**	(195,016)
NET ASSETS, Beginning of Year	7,155,546	600	**7,156,146**	7,351,162
NET ASSETS, End of Year	$ 7,219,575	$ 600	**$ 7,220,175**	$ 7,156,146

See independent auditor's report.

ORENDA EDUCATION (CHARTER SCHOOL)
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2023
(summarized for 2022)

	2023			
	Without Donor Restrictions	With Donor Restrictions	Total	2022 Total
OPERATING REVENUES AND OTHER SUPPORT				
Local Support:				
5742 Earnings from Temporary Deposits and Investments	$ 241,845	$ -	**$ 241,845**	$ 8,554
5744 Gifts and Bequests	583,021	-	**583,021**	662,281
5749 E-Rate Revenue	101,340	-	**101,340**	101,340
5751 Food Service Activity	503,821	-	**503,821**	461,452
5752 Athletic Activities	67,926	-	**67,926**	52,643
5769 Miscellaneous Revenue from Intermediate Sources	273,335	-	**273,335**	254,550
Total Local Support	1,771,288	-	**1,771,288**	1,540,820
State Program Revenues:				
5810 Foundation School Program Act Revenues	-	17,926,263	**17,926,263**	17,803,634
5820 State Program Revenues Distributed by Texas Education Agency	-	83,158	**83,158**	180,221
Total State Program Revenues	-	18,009,421	**18,009,421**	17,983,855
Federal Program Revenues:				
5920 Federal Revenues Distributed by Texas Education Agency	-	1,435,940	**1,435,940**	2,318,249
5930 Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	-	166,623	**166,623**	248,575
Total Federal Program Revenues	-	1,602,563	**1,602,563**	2,566,824
Net Assets Released From Restrictions				
Restrictions Satisfied By Payments	19,358,815	(19,358,815)	**-**	-
TOTAL OPERATING REVENUES AND OTHER SUPPORT	21,130,103	253,169	**21,383,272**	22,091,499
OPERATING EXPENSES				
11 Instruction	9,005,637	-	**9,005,637**	8,697,348
12 Instructional Resources and Media Services	38,551	-	**38,551**	32,454
13 Curriculum Development and Instructional Staff Development	338,992	-	**338,992**	298,811
21 Instructional Leadership	325,422	-	**325,422**	320,865
23 School Leadership	1,020,671	-	**1,020,671**	939,109
31 Guidance, Counseling, and Evaluation Services	554,796	-	**554,796**	487,033
33 Health Services	111,901	-	**111,901**	99,510
34 Student Transportation	106,001	-	**106,001**	90,111
35 Food Services	424,172	-	**424,172**	363,851
36 Extracurricular Activities	635,070	-	**635,070**	498,896
41 General Administration	1,039,301	-	**1,039,301**	996,213
51 Plant Maintenance and Operations	3,018,042	-	**3,018,042**	2,904,631
52 Security and Monitoring Services	29,768	-	**29,768**	13,679
53 Data Processing Services	581,081	-	**581,081**	613,756
61 Community Services	-	-	**-**	222
71 Debt Service	1,831,202	-	**1,831,202**	1,668,393
81 Fundraising	194,319	-	**194,319**	212,908
TOTAL OPERATING EXPENSES	19,254,926	-	**19,254,926**	18,237,790
CHANGE IN NET ASSETS	1,875,177	253,169	**2,128,346**	3,853,709
NET ASSETS, Beginning of Year	14,455,836	1,535,892	**15,991,728**	12,138,019
NET ASSETS, End of Year	$ 16,331,013	$ 1,789,061	**$ 18,120,074**	$ 15,991,728

See independent auditor's report.

ORENDA EDUCATION (CHARTER HOLDER)
STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	**$ 64,029**	$ (195,016)
Adjustments to Reconcile Net Change to Net Cash Provided (Used) by Operations:		
Depreciation and Amortization	**48,109**	48,109
Unrealized (Gain) Loss on Investments	**(58,332)**	238,941
(Decrease) Increase in Liabilities:		
Accounts Payable	**-**	(3,190)
Accrued Expenses	**371**	224
Due to Orenda Education Charter School	**-**	(286,849)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**54,177**	(197,781)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	**(36,206)**	(65,289)
NET CASH USED BY INVESTING ACTIVITIES	**(36,206)**	(65,289)
NET INCREASE (DECREASE) IN CASH FLOWS	**17,971**	(263,070)
CASH AND CASH EQUIVALENTS, Beginning of Year	**3,526,394**	3,789,464
CASH AND CASH EQUIVALENTS, End of Year	**$ 3,544,365**	$ 3,526,394

See independent auditor's report.

ORENDA EDUCATION (CHARTER SCHOOL)
STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Foundation School Program Payments	**$ 17,980,600**	$ 17,329,486
Grant Payments	**2,789,099**	2,353,113
Miscellaneous Sources	**1,799,819**	1,479,096
Payments to Vendors for Goods and Services Rendered	**(3,906,543)**	(3,329,322)
Payments to Charter School Personnel for Services Rendered	**(12,340,738)**	(10,990,193)
Interest Payments	**(1,690,647)**	(1,579,124)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**4,631,590**	5,263,056
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	**(6,589,633)**	(9,045,021)
NET CASH USED BY INVESTING ACTIVITIES	**(6,589,633)**	(9,045,021)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments into Sinking Fund	**(472,551)**	(381,874)
Payments on Finance Lease Obligation	**(16,813)**	-
Proceeds from Issuance of Bonds	**14,100,000**	-
Payment of Bond Issue Costs	**(879,227)**	-
Payments on Bonds Payable	**(660,000)**	(635,000)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	**12,071,409**	(1,016,874)
NET INCREASE (DECREASE) IN CASH FLOWS	**10,113,366**	(4,798,839)
CASH AND CASH EQUIVALENTS, Beginning of Year	**7,301,561**	12,100,400
CASH AND CASH EQUIVALENTS, End of Year	**$ 17,414,927**	$ 7,301,561
Reconciliation of Change in Net Assets to Net Cash Provided by Operations:		
Change in Net Assets	**$ 2,128,346**	$ 3,853,709
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operations:		
Depreciation and Amortization	**1,601,620**	1,428,250
(Increase) Decrease in Assets:		
Accounts Receivable	**(95,807)**	(14,198)
Due from Texas Education Agency	**1,253,510**	(1,242,071)
Due from Orenda Education (Charter Holder)	**-**	286,849
Other Receivables	**(101,340)**	101,340
Prepaid Expenses	**(66,962)**	150,836
Operating Lease Right-of-Use Asset	**(141,806)**	-
(Decrease) Increase in Liabilities:		
Accounts Payable	**(183,987)**	526,699
Accrued Expenses	**53,197**	136,175
Operating Lease Payable	**145,497**	-
Due to Texas Education Agency	**-**	(22,460)
Deferred Revenue	**28,588**	40,741
Other Liabilities	**10,734**	17,186
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ 4,631,590**	$ 5,263,056
Supplemental Disclosures		
Bond Interest	**$ 1,673,928**	$ 1,579,124
Interest Paid on Finance Lease	**$ 2,019**	$ -
Right-of-Use Asset Obtained Through Finance Lease	**$ 69,050**	$ -

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF EXPENSES
For the Years Ended August 31, 2023 and 2022

		2023	2022
Orenda Education (Consolidated)			
Expenses			
6100	Payroll Costs	**$ 12,296,160**	$ 11,178,566
6200	Professional and Contracted Services	**2,114,769**	2,503,041
6300	Supplies and Materials	**998,909**	1,082,189
6400	Other Operating Costs	**2,165,047**	1,942,532
6500	Debt	**1,831,202**	1,668,393
	Total Expenses	**$ 19,406,087**	$ 18,374,721
Orenda Education (Charter Holder)			
Expenses			
6100	Payroll Costs	**$ 53,160**	$ 52,198
6200	Professional and Contracted Services	**3,500**	2,900
6400	Other Operating Costs	**190,909**	184,298
	Total Expenses (net of eliminating entries)	**$ 247,569**	$ 239,396
Orenda Education (Charter School)			
Expenses			
6100	Payroll Costs	**$ 12,243,000**	$ 11,126,368
6200	Professional and Contracted Services	**2,111,269**	2,500,141
6300	Supplies and Materials	**998,909**	1,082,189
6400	Other Operating Costs	**1,974,138**	1,758,234
6500	Debt	**1,831,202**	1,668,393
	Total Expenses (net of eliminating entries)	**$ 19,158,518**	$ 18,135,325

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF CAPITAL ASSETS
August 31, 2023

Capital assets acquired with public funds, which constitute public property pursuant to Chapter 12 of the Texas Education Code, are as follows:

	Ownership Interest		
Orenda Education (Consolidated)	**Local**	**State**	**Federal**
1110 Cash	$ 3,544,365	$ 17,414,927	$ -
1510 Land and Improvements	1,128,728	6,254,595	-
1515 Construction in Progress	-	6,301,468	-
1520 Buildings and Improvements	1,599,634	43,667,714	916,095
1531 Vehicles	-	498,677	108,560
1539 Furniture and Equipment	50,085	1,556,368	-
Total Capital Assets	$ 6,322,812	$ 75,693,749	$ 1,024,655

	Ownership Interest		
Orenda Education (Charter Holder)	**Local**	**State**	**Federal**
1110 Cash	$ 3,544,365	$ -	$ -
1510 Land and Improvements	1,128,728	-	-
1520 Buildings and Improvements	1,599,634	-	-
1539 Furniture and Equipment	50,085	-	-
Total Capital Assets	$ 6,322,812	$ -	$ -

	Ownership Interest		
Orenda Charter School	**Local**	**State**	**Federal**
1110 Cash	$ -	$ 17,414,927	$ -
1510 Land and Improvements	-	6,254,595	-
1515 Construction in Progress	-	6,301,468	-
1520 Buildings and Improvements	-	43,667,714	916,095
1531 Vehicles	-	498,677	108,560
1539 Furniture and Equipment	-	1,556,368	-
Total Capital Assets	$ -	$ 75,693,749	$ 1,024,655

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2023

	Budgeted Amounts		Variance From Original to Final Budget		Actual Amounts	Variance From Final Budget to Actual	
	Original	Final					
OPERATING REVENUES AND OTHER SUPPORT							
Local Support:							
5740 Other Revenues from Local Sources	$ 677,000	$ 808,000	$ (131,000)	[1]	$ 926,206	$ 118,206	
5750 Revenue from Cocurricular/Enterprising	527,750	539,750	(12,000)		571,747	31,997	
5760 Revenues from Intermediate Sources	174,750	203,750	(29,000)	[2]	273,335	69,585	
Total Local Support	1,379,500	1,551,500	(172,000)		1,771,288	219,788	
State Program Revenues:							
5810 Foundation School Program Act Revenues	17,415,967	17,669,567	(253,600)		17,926,263	256,696	
5820 State Program Revenues Distributed by Texas Education Agency	212,000	91,400	120,600	[3]	83,158	(8,242)	
Total State Program Revenues	17,627,967	17,760,967	(133,000)		18,009,421	248,454	
Federal Program Revenues:							
5920 Federal Revenues Distributed by Texas Education Agency	1,541,057	1,541,057	-		1,435,940	(105,117)	
5930 Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	201,143	201,143	-		166,623	(34,520)	[4]
Total Federal Program Revenues	1,742,200	1,742,200	-		1,602,563	(139,637)	
TOTAL OPERATING REVENUES AND OTHER SUPPORT	20,749,667	21,054,667	(305,000)		21,383,272	328,605	
OPERATING EXPENSES							
11 Instruction	9,326,573	9,200,673	125,900		9,005,637	195,036	
12 Instructional Resources and Media Services	35,090	38,090	(3,000)		38,551	(461)	
13 Curriculum Development and Instructional Staff Development	359,905	365,705	(5,800)		338,992	26,713	
21 Instructional Leadership	335,258	351,748	(16,490)		325,422	26,326	
23 School Leadership	1,029,086	1,044,086	(15,000)		1,020,671	23,415	
31 Guidance, Counseling, and Evaluation Services	629,537	631,037	(1,500)		554,796	76,241	
33 Health Services	110,410	115,410	(5,000)		111,901	3,509	
34 Student Transportation	89,490	108,490	(19,000)	[5]	106,001	2,489	
35 Food Services	329,330	406,330	(77,000)	[6]	424,172	(17,842)	
36 Extracurricular Activities	603,068	625,068	(22,000)		635,070	(10,002)	
41 General Administration	1,002,759	1,041,409	(38,650)		1,039,301	2,108	
51 Plant Maintenance and Operations	3,367,397	3,328,847	38,550		3,018,042	310,805	
52 Security and Monitoring Services	18,936	28,936	(10,000)	[7]	29,768	(832)	
53 Data Processing Services	633,239	623,239	10,000		581,081	42,158	
71 Debt Service	1,907,488	1,907,488	-		1,831,202	76,286	
81 Fundraising	189,000	231,510	(42,510)	[8]	194,319	37,191	
TOTAL OPERATING EXPENSES	19,966,566	20,048,066	(81,500)		19,254,926	793,140	
CHANGE IN NET ASSETS	783,101	1,006,601	(386,500)		2,128,346	1,121,745	
NET ASSETS, Beginning of Year	15,991,728	15,991,728	-		15,991,728	-	
NET ASSETS, End of Year	$ 16,774,829	$ 16,998,329	$ (386,500)		$ 18,120,074	$ 1,121,745	

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
NOTES TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2023

(1) Variance is due to final budget being amended to reflect additional interest earned due to the addition of Series 2023 bond funds.

(2) Variance is due to final budget being amended to reflect increased UIL/Academic fees collected based on increased student participation.

(3) Variance is due to final budget being amended based on available funds for Instructional Materials Allotment for FY'23.

(4) Variance is due to less SHARS reimbursements being received for eligible services than anticipated.

(5) Variance is due to final budget being amended to reflect an increased need for repairs, maintenance, and supplies for the aging bus fleet. Additionally, higher than estimated fuel costs were incurred.

(6) Variance is due to final budget being amended to reflect increased food costs due to price increases and higher participation in food service programs.

(7) Variance is due to final budget being amended to reflect an increase in the cost of contracted services for the Emergency Operations Plan preparation.

(8) Variance is due to final budget being amended to reflect increased MOU contracted services based on FY'23 fundraising activities.

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
For the Year Ended August 31, 2023

Section A: Compensatory Education Programs

Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.104.

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?		Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?		Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	$	380,603
AP4	List the actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	$	211,105

Section B: Bilingual Education Programs

Districts are required to spend at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.105.

AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?		Yes
AP6	Does the district have written policies and procedures for its bilingual education program?		Yes
AP7	List the total state allotment funds received for bilingual education programs during the district's fiscal year.	$	33,071
AP8	List the actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25, 35)	$	15,171

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS
For the Year Ended August 31, 2023

Related Party Name	Name of Relation to the Related Party	Relationship	Compensation or Benefit	Payment Frequency	Description	Source of Funds Used	Total Paid during FY
Chase Rickey	Richard Rickey	Child	Compensation	Monthly	Salary	State	$ 48,028
Chase Rickey	Richard Rickey	Child	Benefit	Monthly	Health/Medical & Life Ins.	State	$ 4,616
Amanda Rachuig	Phillip Rachuig	Spouse	Compensation	Monthly	Salary	State	$ 59,908
Amanda Rachuig	Phillip Rachuig	Spouse	Benefit	Monthly	Health/Medical & Life Ins.	State	$ 4,929

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year Ended August 31, 2023

Related Party Name	Name of Relation to the Related Party	Relationship	Type of Transaction	Description of Terms and Conditions	Source of Funds Used	Payment Frequency	Total Paid during FY	Principal Balance Due
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
August 31, 2023

Description	Property Address	Total Assessed Value	Ownership Interest Local	Ownership Interest State	Ownership Interest Federal
S10517 - Bell Gin Park (Blk D LT 1), Acres 15	3360 Westinghouse Rd, Georgetown, Tx	$ 6,072,270	$ 2,186,017	$ 3,886,253	$ -
AW0427 AW0427 - Mott, J. Sur., Acres 14.125	3360 Westinghouse Rd, Georgetown, Tx	736,321	736,321	-	-
A Flores Abst #214 1.100 Ac (Kingsland Plaza)	2112 W RR 1431, Kingsland, Tx	1,197,280	-	1,197,280	-
AW0427 AW0427 - Mott, J. Sur., Acres 22.93	3320 Westinghouse Rd, Georgetown, TX 78626	2,948,016	-	2,948,016	-
Total Real Property Ownership Interest		$ 10,953,887	$ 2,922,338	$ 8,031,549	$ -

See independent auditor's report.

CONSOLIDATING FINANCIAL STATEMENTS

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
August 31, 2023
(summarized for 2022)

	2023				
	Orenda Education (Charter Holder)	Orenda Education Charter School	Eliminating Entries	Total	2022 Total
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	$ 3,544,365	$ 17,414,927	$ -	**$ 20,959,292**	$ 10,827,955
Accounts Receivable	-	158,407	-	**158,407**	62,600
Due from Texas Education Agency	-	1,996,005	-	**1,996,005**	3,249,515
Other Receivables	-	101,340	-	**101,340**	-
Prepaid Expenses	-	197,727	-	**197,727**	130,765
Total Current Assets	3,544,365	19,868,406	-	**23,412,771**	14,270,835
LONG-TERM ASSETS					
Long-Term Investments	1,231,657	-	-	**1,231,657**	1,137,119
Sinking Fund for Bonds Payable	-	2,799,470	-	**2,799,470**	2,326,919
Operating Lease Right-of-Use Assets	-	141,806	-	**141,806**	-
Finance Lease Right-of-Use Assets, net	-	35,952	-	**35,952**	-
Property and Equipment, net	2,456,858	50,229,603	-	**52,686,461**	47,606,003
Total Long-Term Assets	3,688,515	53,206,831	-	**56,895,346**	51,070,041
TOTAL ASSETS	$ 7,232,880	$ 73,075,237	$ -	**$ 80,308,117**	$ 65,340,876
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable	$ -	$ 805,096	$ -	**$ 805,096**	$ 989,083
Accrued Expenses	12,205	1,134,561	-	**1,146,766**	1,093,198
Operating Lease Payables - current	-	145,497	-	**145,497**	-
Finance Lease Payable - current	-	17,556	-	**17,556**	-
Deferred Revenue	-	163,198	-	**163,198**	134,610
Other Liabilities	500	128,978	-	**129,478**	118,744
Bonds Payable - current	-	865,000	-	**865,000**	660,000
Total Current Liabilities	12,705	3,259,886	-	**3,272,591**	2,995,635
LONG-TERM LIABILITIES					
Finance Lease Payable - long-term	-	19,895	-	**19,895**	-
Bonds Payable - long-term, net	-	51,675,382	-	**51,675,382**	39,197,367
Total Long-Term Liabilities	-	51,695,277	-	**51,695,277**	39,197,367
TOTAL LIABILITIES	12,705	54,955,163	-	**54,967,868**	42,193,002
NET ASSETS					
Without Donor Restrictions	7,219,575	16,331,013	-	**23,550,588**	21,611,382
With Donor Restrictions	600	1,789,061	-	**1,789,661**	1,536,492
TOTAL NET ASSETS	7,220,175	18,120,074	-	**25,340,249**	23,147,874
TOTAL LIABILITIES AND NET ASSETS	$ 7,232,880	$ 73,075,237	$ -	**$ 80,308,117**	$ 65,340,876

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2023
(summarized for 2022)

	2023				
	Orenda Education (Charter Holder)	**Orenda Education Charter School**	**Eliminating Entries**	**Total**	2022 Total
OPERATING REVENUES AND OTHER SUPPORT					
Local Support:					
Contributions	$ 583,021	$ 583,021	$ (583,021)	**$ 583,021**	$ 662,281
Food Service Activity	-	503,821	-	**503,821**	461,452
Miscellaneous Revenue from Intermediate Sources	120,652	273,335	-	**393,987**	333,485
Earnings from Temporary Deposits and Investments	-	241,845	-	**241,845**	8,554
E-Rate Revenue	-	101,340	-	**101,340**	101,340
Athletic Activities	-	67,926	-	**67,926**	52,643
In-Kind Donations	-	-	-	**-**	38,000
Professional Services	96,408	-	(96,408)	**-**	-
Total Local Support	800,081	1,771,288	(679,429)	**1,891,940**	1,657,755
State Program Revenues:					
Foundation School Program Act Revenues	-	17,926,263	-	**17,926,263**	17,803,634
State Program Revenues Distributed by Texas Education Agency	-	83,158	-	**83,158**	180,221
Total State Program Revenues	-	18,009,421	-	**18,009,421**	17,983,855
Federal Program Revenues:					
Federal Revenues Distributed by Texas Education Agency	-	1,435,940	-	**1,435,940**	2,318,249
Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	-	166,623	-	**166,623**	248,575
Total Federal Program Revenues	-	1,602,563	-	**1,602,563**	2,566,824
TOTAL OPERATING REVENUES AND OTHER SUPPORT	800,081	21,383,272	(679,429)	**21,503,924**	22,208,434
OPERATING EXPENSES	830,590	19,254,926	(679,429)	**19,406,087**	18,374,721
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	(30,509)	2,128,346	-	**2,097,837**	3,833,713
NON-OPERATING ACTIVITY					
Investment Income (Loss)	94,538	-	-	**94,538**	(175,020)
TOTAL NON-OPERATING ACTIVITY	94,538	-	-	**94,538**	(175,020)
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	64,029	2,128,346	-	**2,192,375**	3,658,693
NET ASSETS, Beginning of Year	7,156,146	15,991,728	-	**23,147,874**	19,489,181
NET ASSETS, End of Year	$ 7,220,175	$ 18,120,074	$ -	**$ 25,340,249**	$ 23,147,874

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended August 31, 2023
(summarized for 2022)

	2023				
	Orenda Education (Charter Holder)	**Orenda Education Charter School**	**Eliminating Entries**	**Total**	2022 Total
OPERATING EXPENSES					
Salaries	$ 46,860	$ 10,795,210	$ -	**$ 10,842,070**	$ 9,875,948
Payroll Taxes and Benefits	6,300	1,447,790	-	**1,454,090**	1,302,618
Total Payroll Expenses	53,160	12,243,000	-	**12,296,160**	11,178,566
Interest	-	1,690,647	-	**1,690,647**	1,579,124
Depreciation	48,109	1,461,065	-	**1,509,174**	1,387,090
Maintenance and Repair	-	687,926	-	**687,926**	535,573
General Supplies	-	590,103	-	**590,103**	652,982
Utilities	-	570,825	-	**570,825**	564,613
Contract Labor	-	544,641	(96,408)	**448,233**	788,149
Rental Expense	-	320,940	-	**320,940**	454,402
Miscellaneous	142,800	134,485	-	**277,285**	248,741
Insurance and Bonding	-	241,021	-	**241,021**	198,858
Food	-	230,095	-	**230,095**	202,185
Instructional Materials	-	156,272	-	**156,272**	207,057
Bond Amortization	-	123,287	-	**123,287**	89,269
Travel	-	106,659	-	**106,659**	78,238
Professional Fees	3,500	43,726	-	**47,226**	99,918
Educational Service Center	-	39,619	-	**39,619**	60,386
Dues and Subscriptions	-	30,908	-	**30,908**	29,605
Gas and Fuel	-	22,439	-	**22,439**	19,965
Lease Amortization	-	17,268	-	**17,268**	-
Charitable Contributions	583,021	-	(583,021)	**-**	-
TOTAL OPERATING EXPENSES	$ 830,590	$ 19,254,926	$ (679,429)	**$ 19,406,087**	$ 18,374,721

See independent auditor's report.

SINGLE AUDIT SECTION

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended August 31, 2023

Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
U.S. Department of Education:			
Pass-Through Texas Education Agency:			
Title I Grants to Local Educational Agencies	84.010A	22610101014804	$ 2,842
Title I Grants to Local Educational Agencies	84.010A	23610101014804	415,865
Special Education Grants to States	84.027A	226600010148046000	4,456
Special Education Grants to States	84.027A	236600010148046000	299,387
Special Education Grants to States	84.027X	225350010148045000	124
Special Education Grants to States	84.027X	225350020148045000	73,723
Supporting Effective Instruction State Grants	84.367A	22694501014804	6,430
Supporting Effective Instruction State Grants	84.367A	23694501014804	32,380
Supporting Effective Instruction State Grants	84.367A	226945797110022	37,884
Student Support and Academic Enrichment Program	84.424A	22680101014804	3,413
Student Support and Academic Enrichment Program	84.424A	23680101014804	18,686
COVID-19 Education Stabilization Fund	84.425D	21521001014804	365,047
COVID-19 Education Stabilization Fund	84.425U	21528001014804	173,976
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	223935027110086	25,789
Total Pass-Through Texas Education Agency			1,460,002
Total U.S. Department of Education			1,460,002
TOTAL EXPENDITURES OF FEDERAL AWARDS			1,460,002
Texas Education Agency:			
Textbook and Technology Materials	N/A	25002101	70,298
2022-2024 Silent Panic Alert	N/A	22039501014804	9,523
School Safety Standards	N/A	23039601014804	2,031
Total Texas Education Agency			81,852
TOTAL EXPENDITURES OF STATE AWARDS			81,852
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			$ 1,541,854

See accompanying notes to schedule of expenditures of federal and state awards.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
August 31, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Orenda Education dba Orenda Charter Schools (the Organization) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal and state awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, Cost Principles for Non-Profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - NON-PROFIT CHARTER SCHOOL CHART OF ACCOUNTS

For all federal and state programs, the Organization used the net asset classes and codes specified by Texas Education Agency (TEA) in the *Special Supplement to Financial Accounting and Reporting, Non-Profit Charter School Chart of Accounts*. Temporarily restricted net asset codes are used to account for resources restricted to or designated for specific purposes by the grantor. Federal and state financial assistance is generally accounted for in temporarily restricted net asset codes.

NOTE 4 - OTHER DISCLOSURES

There were no loans or loan guarantees outstanding at year end.

The Organization has elected not to use the 10 percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

The Organization did not disburse any federal or state awards to subrecipients for the year ended August 31, 2023.

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

To the Board of Directors
Orenda Education dba Orenda
Charter Schools
Georgetown, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Orenda Education dba Orenda Charter Schools (the Organization), a nonprofit organization, which comprise the consolidated statement of financial position as of August 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 15, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Randy Walker & Co.

San Antonio, Texas
January 15, 2024

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

To the Board of Directors
Orenda Education dba Orenda
Charter Schools
Georgetown, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Orenda Education dba Orenda Charter Schools' (the Organization's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended August 31, 2023. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended August 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a

reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Randy Walker & Co.

San Antonio, Texas
January 15, 2024

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2023

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified	None
Significant deficiencies identified that are not considered to be material weakness(es)	None
Noncompliance material to the financial statements	None

Federal Awards

Internal control over major programs:	
Material weakness(es) identified	None
Significant deficiencies identified that are not considered to be material weakness(es)	None
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	None

Major Programs

Federal

84.425 Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs	$750,000
Audit qualified as low-risk auditee	Yes

Findings - Financial Statements Audit	None
Findings and Questioned Costs - Major Federal Award Programs Audit	None

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended August 31, 2023

Prior Year Findings - Financial Statement Audit	None
Prior Year Findings - Federal Awards Audit	None