ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS

CONSOLIDATED FINANCIAL STATEMENTS WITH COMPLIANCE AND SINGLE AUDIT REPORTING

August 31, 2022 and 2021

Randy Walker & Co., Certified Public Accountants

ORENDA EDUCATION
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CONSOLIDATED FINANCIAL STATEMENTS WITH COMPLIANCE AND SINGLE AUDIT REPORTING
August 31, 2022 and 2021

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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, 2022, at a meeting of the Board of Directors of such charter holder on the 16 day of January, 2023.

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, 2022, 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, 2022, 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 22-35, the consolidating financial statements on pages 36-38, and the accompanying schedule of expenditures of federal and state awards

on page 39, 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 16, 2023 on pages 41-42 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 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 17, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Randy Walker & Co.

San Antonio, Texas
January 16, 2023

GENERAL-PURPOSE FINANCIAL STATEMENTS

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
August 31, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**$ 10,827,955**	$ 15,889,864
Accounts Receivable	**62,600**	48,402
Due from Texas Education Agency	**3,249,515**	2,007,444
Other Receivables	**-**	101,340
Prepaid Expenses	**130,765**	281,601
Total Current Assets	**14,270,835**	18,328,651
LONG-TERM ASSETS		
Long-Term Investments	**1,137,119**	1,310,771
Sinking Fund for Bonds Payable	**2,326,919**	1,945,045
Property and Equipment, net	**47,606,003**	39,948,071
Total Long-Term Assets	**51,070,041**	43,203,887
TOTAL ASSETS	**$ 65,340,876**	$ 61,532,538
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	**$ 989,083**	$ 465,574
Accrued Expenses	**1,093,198**	956,799
Due to Texas Education Agency	**-**	22,460
Deferred Revenue	**134,610**	93,869
Other Liabilities	**118,744**	101,558
Bonds Payable - current	**660,000**	635,000
Total Current Liabilities	**2,995,635**	2,275,260
LONG-TERM LIABILITIES		
Bonds Payable - long-term, net	**39,197,367**	39,768,097
Total Long-Term Liabilities	**39,197,367**	39,768,097
TOTAL LIABILITIES	**42,193,002**	42,043,357
NET ASSETS		
Without Donor Restrictions	**21,611,382**	11,323,266
With Donor Restrictions	**1,536,492**	8,165,915
TOTAL NET ASSETS	**23,147,874**	19,489,181
TOTAL LIABILITIES AND NET ASSETS	**$ 65,340,876**	$ 61,532,538

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, 2022
(with comparative totals for 2021)

	2022			
	Without Donor Restrictions	With Donor Restrictions	Total	2021 Total
OPERATING REVENUES AND OTHER SUPPORT				
Local Support:				
Contributions	$ 662,281	$ -	**$ 662,281**	$ 561,857
Food Service Activity	461,452	-	**461,452**	159,329
Miscellaneous Revenue from Intermediate Sources	333,485	-	**333,485**	380,164
E-Rate Revenue	101,340	-	**101,340**	101,340
Athletic Activities	52,643	-	**52,643**	57,274
In-Kind Donations	38,000	-	**38,000**	-
Earnings from Temporary Deposits and Investments	8,554	-	**8,554**	231,335
Rent	-	-	**-**	14,776
Total Local Support	1,657,755	-	**1,657,755**	1,506,075
State Program Revenues:				
Foundation School Program Act Revenues	-	17,803,634	**17,803,634**	17,711,472
State Program Revenues Distributed by Texas Education Agency	-	180,221	**180,221**	283,974
Total State Program Revenues	-	17,983,855	**17,983,855**	17,995,446
Federal Program Revenues:				
Federal Revenues Distributed by Texas Education Agency	-	2,363,699	**2,363,699**	1,236,200
Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	-	203,125	**203,125**	144,982
Total Federal Program Revenues	-	2,566,824	**2,566,824**	1,381,182
Net Assets Released From Restrictions				
Restrictions Satisfied By Payments	27,180,102	(27,180,102)	**-**	-
TOTAL OPERATING REVENUES AND OTHER SUPPORT	28,837,857	(6,629,423)	**22,208,434**	20,882,703
OPERATING EXPENSES				
Program	15,389,355	-	**15,389,355**	14,924,260
General and Administrative	2,731,569	-	**2,731,569**	2,431,293
Fundraising	253,797	-	**253,797**	219,482
TOTAL OPERATING EXPENSES	18,374,721	-	**18,374,721**	17,575,035
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	10,463,136	(6,629,423)	**3,833,713**	3,307,668
NON-OPERATING ACTIVITY				
Investment (Loss) Income	(175,020)	-	**(175,020)**	206,403
Unrealized Loss on Escrow (5740)	-	-	**-**	(176,705)
TOTAL NON-OPERATING ACTIVITY	(175,020)	-	**(175,020)**	29,698
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	10,288,116	(6,629,423)	**3,658,693**	3,337,366
NET ASSETS, Beginning of Year	11,323,266	8,165,915	**19,489,181**	16,151,815
NET ASSETS, End of Year	$ 21,611,382	$ 1,536,492	**$ 23,147,874**	$ 19,489,181

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, 2022
(with comparative totals for 2021)

	2022				
	Program	General and Administrative	Fundraising	Total	2021 Total
OPERATING EXPENSES					
Salaries	$ 7,999,518	$ 1,678,911	$ 197,519	**$ 9,875,948**	$ 9,119,618
Payroll Taxes and Benefits	1,068,147	208,419	26,052	**1,302,618**	1,187,357
Total Payroll Expenses	9,067,665	1,887,330	223,571	**11,178,566**	10,306,975
Interest	1,500,168	78,956	-	**1,579,124**	1,905,444
Depreciation	1,317,735	69,355	-	**1,387,090**	1,388,228
Contract Labor	669,927	118,222	-	**788,149**	612,990
General Supplies	609,233	39,179	4,570	**652,982**	911,323
Utilities	536,383	28,230	-	**564,613**	540,083
Maintenance and Repair	527,540	8,033	-	**535,573**	545,945
Rental Expense	408,962	45,440	-	**454,402**	495,264
Miscellaneous	106,959	116,908	24,874	**248,741**	155,942
Instructional Materials	207,057	-	-	**207,057**	172,342
Food	202,185	-	-	**202,185**	73,529
Insurance and Bonding	15,909	182,949	-	**198,858**	144,980
Professional Fees	-	99,918	-	**99,918**	37,967
Amortization of Bond Issue Costs	84,806	4,463	-	**89,269**	156,071
Travel	57,896	19,560	782	**78,238**	46,409
Educational Service Center	51,932	8,454	-	**60,386**	42,664
Dues and Subscriptions	5,033	24,572	-	**29,605**	28,639
Gas and Fuel	19,965	-	-	**19,965**	10,240
TOTAL OPERATING EXPENSES	$ 15,389,355	$ 2,731,569	$ 253,797	**$ 18,374,721**	$ 17,575,035

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, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	**$ 3,658,693**	$ 3,337,366
Adjustments to Reconcile Net Excess to Net Cash		
Provided by Operations:		
Depreciation and Amortization	**1,476,359**	1,544,299
Unrealized Loss (Gain) on Investments	**230,387**	(191,531)
(Increase) Decrease in Assets:		
Accounts Receivable	**(14,198)**	(19,527)
Due from Texas Education Agency	**(1,242,071)**	(660,046)
Other Receivables	**101,340**	51,873
Prepaid Expenses	**150,836**	(102,040)
Increase (Decrease) in Liabilities:		
Accounts Payable	**523,509**	(33,172)
Accrued Expenses	**136,399**	63,675
Due to Texas Education Agency	**(22,460)**	(204,683)
Deferred Revenue	**40,741**	41,432
Other Liabilities	**17,186**	33,895
NET CASH PROVIDED BY OPERATING ACTIVITIES	**5,056,721**	3,861,541
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	**(9,045,021)**	(931,875)
Sale of Investments	**-**	547,721
Purchases of Investments	**(56,735)**	(248,929)
NET CASH USED BY INVESTING ACTIVITIES	**(9,101,756)**	(633,083)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments into Sinking Fund	**(381,874)**	(377,338)
Redemption on Bonds Payable	**-**	(4,055,000)
Payments on Bonds Payable	**(635,000)**	(615,000)
Payments on Long-Term Debt	**-**	(2,713)
NET CASH USED BY FINANCING ACTIVITIES	**(1,016,874)**	(5,050,051)
NET DECREASE IN CASH FLOWS	**(5,061,909)**	(1,821,593)
CASH AND CASH EQUIVALENTS, Beginning of Year	**15,889,864**	13,415,541
RESTRICTED CASH, Beginning of Year	**-**	4,295,916
LESS RESTRICTED CASH, End of Year	**-**	-
CASH AND CASH EQUIVALENTS, End of Year	**$ 10,827,955**	$ 15,889,864
Supplemental Disclosures:		
Bus Loan Interest	**$ -**	$ 7
Bond Interest	**$ 1,579,124**	$ 1,905,437

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, 2022, 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, 2022 and 2021, 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, 2022, the tax years that remain subject to examination by taxing authorities begin with 2019.

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, 2022 and 2021. All dividends, interest, and unrealized/realized (losses) gains are reported as investment (loss) income 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.

New Accounting Pronouncements

In February 2016, the FASB issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2021. A lessee will be required to recognize on the statement of financial position the assets and liabilities for leases with terms of more than twelve months. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

Recently Adopted Accounting Pronouncements

In 2018, the FASB issued ASU 2018-13, *Changes to the Disclosure Requirements for Fair Value Measurement*, effective for periods beginning after December 15, 2019. This pronouncement improves the effectiveness of fair value measurement disclosures in the notes to the consolidated financial statements. The Organization adopted this pronouncement effective September 1, 2020.

In 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606).* This pronouncement provides guidance regarding revenue recognition effective for reporting periods beginning after December 15, 2019. The pronouncement affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets. The core principle of this update is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. The Organization adopted this pronouncement effective September 1, 2020.

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

Recently Adopted Accounting Pronouncements (continued)

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 new pronouncement effective September 1, 2021. The pronouncement did not have a material impact on the financial statements. The Organization has updated disclosures as necessary (see Note 16).

Revenue - Exchange Transactions

The Organization receives revenue through various exchange transactions, including fundraisers, food sales, athletic activities, and after-school 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 or activity occurs. There were no receivables, contract assets, or contract liabilities related to these exchange transactions at August 31, 2022 and 2021. For the years ended August 31, 2022 and 2021, substantially all fundraising event revenue consisted of contributions (non-exchange), which are recognized as revenue when received.

Note 2 - Due from/to State and Federal Government

At August 31, 2022 and 2021, the School had $3,249,515 and $2,007,444, 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. At August 31, 2022 and 2021, the School had $-0- and $22,460, respectively, due to TEA for settle-up of FSP revenue.

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, 2022 and 2021, respectively, uninsured investment account balances totaled $637,119 and $810,771.

Note 5 - Health and Life Insurance Coverage

During the years ended August 31, 2022 and 2021, 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, 2022 and 2021. 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 $669,722 and $659,068 for the years ended August 31, 2022 and 2021, 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 16, 2023, 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)	
	2022	2021
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	**(273,480)**	(225,371)
Total	**$ 2,504,967**	$ 2,553,076

As of August 31, 2022 and 2021, 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	
	2022	2021
Buildings and Improvements	**$ 43,251,552**	$ 41,817,881
Land	**6,254,595**	-
Construction in Progress	**1,112,779**	-
Vehicles	**564,365**	334,753
Furniture and Equipment	**1,530,554**	1,516,189
	52,713,845	43,668,823
Less Accumulated Depreciation	**(7,612,809)**	(6,273,828)
Total	**$ 45,101,036**	$ 37,394,995

Depreciation expense for the years ended August 31, 2022 and 2021 was $1,387,090 and $1,388,228, respectively. Fixed asset additions are included in net assets released from restrictions on the consolidated statement of activities.

Note 10 - Operating Leases

The School has multiple operating lease agreements for office equipment and instructional facilities with various expiration dates. The School also leases space as needed throughout the year for sports and extracurricular activities and events. Rent expense for the years ended August 31, 2022 and 2021 was $454,402 and $495,264, respectively.

Note 10 - Operating Leases (continued)

The following is a schedule of the operating lease obligations subsequent to August 31, 2022:

Year Ending August 31,		
2023	$	291,384
2024		195,464
2025		20,512
2026		2,644
2027		806
Total	$	510,810

Note 11 - Net Assets with Donor Restrictions

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

	2022	2021
Gateway Tech High School	**$ -**	$ 250
TTR Miscellaneous	**2,000**	2,000
TX Educator Excellence Grant	**3,500**	3,500
Gateway CPS Legacy	**600**	600
Foundation School Program	**1,530,392**	8,159,565
Total	**$ 1,536,492**	$ 8,165,915

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

Note 12 - 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.

Note 12 - Bonds Payable (continued)

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.

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:

	2022	2021
Series 2011Q	**$ 5,250,000**	$ 5,250,000
Series 2015A	**14,505,000**	14,650,000
Series 2017	**21,390,000**	21,880,000
	41,145,000	41,780,000
Less Current Maturities	**(660,000)**	(635,000)
Less Bond Issuance Costs, net	**(1,287,633)**	(1,376,903)
Total	**$ 39,197,367**	$ 39,768,097

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

Year Ending August 31,	
2023	$ 660,000
2024	695,000
2025	730,000
2026	760,000
2027	795,000
Thereafter	37,505,000
Total	$ 41,145,000

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, 2022 and 2021 was $2,326,919 and $1,945,045, 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, 2022 and 2021.

Note 12 - Bonds Payable (continued)

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, 2022 and 2021, the Organization received the subsidy benefit of $396,575 and $396,968, respectively, which was paid directly to the bond trustee on behalf of the Organization. Bond interest expense, net of this subsidy benefit, was $1,579,124 and $1,905,437 for the years ended August 31, 2022 and 2021, respectively.

Note 13 - 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 $102,465 and $56,790 for the years ended August 31, 2022 and 2021, 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.

As of August 31, 2022 and 2021, there was a payable from the Charter Holder to the School for $-0- and $286,849, respectively. These payables were for intercompany activities such as bond loan payments and miscellaneous purchases. The intercompany payable and corresponding intercompany receivable are eliminated in the consolidated financial statements.

In September 2020, the Charter Holder transferred to the School all of the assets, liabilities and related bond accounts that were a part of the assets previously classified as State-owned capital assets for financial reporting purposes. At the time of the transfer, the book value of the assets transferred was $48,177,675. Excluding accumulated depreciation of $3,535,769, the net asset value was $44,641,906. Payables and other related liabilities associated with these assets had a net balance due of $46,773,408. The net difference between the book value of assets and liabilities at the time of transfer was $2,131,502. This amount was recorded as a non-operating activity in the specific-purpose financial statements and the consolidating statement of activities for the year ended August 31, 2021.

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

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

Note 14 - Prior Year Reclassification

The following reclassification between accounts was made to the consolidated financial statements for the year ended August 31, 2021: $164,870 from federal revenues distributed by other state of Texas government agencies (other than TEA) to federal revenues distributed by Texas Education Agency in the consolidated statement of activities. This total is comprised of Wilco Round 1 funding of $16,718, TDEM funding of $12,042, and Wilco Round 2 funding of $136,110. This reclassification had no effect on the previously reported change in net assets.

Note 15 - Investments

The fair value of investments held was as follows at August 31:

	Orenda Education (Charter Holder)	
	2022	2021
Money Market Funds	**$ 127,057**	$ 126,529
Stocks	**11,472**	10,206
Mutual Funds	**998,590**	1,174,036
Total	**$ 1,137,119**	$ 1,310,771

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

	Orenda Education (Charter Holder)	
	2022	2021
Interest/Dividends	**$ 63,921**	$ 15,809
Unrealized (Loss) Gain	**(238,941)**	190,594
Total	**$ (175,020)**	$ 206,403

	Orenda Charter School	
	2022	2021
Interest/Dividends	**$ -**	$ 230,398
Unrealized Gain	**8,554**	937
Total	**$ 8,554**	$ 231,335

Note 16 - 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.

Note 16 - In-Kind Donations (continued)

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

	2022	2021
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, 2022 and 2021.

Note 17 - Pension Plan Obligations

Plan Description

The School contributes to the Teacher Retirement System of Texas (TRS), a public employee retirement system. 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 St., 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 - $223,172,755,000
Accumulated Benefit Obligations - $218,037,583,497
The plan is 79.1% funded.

There are no collective-bargaining agreements.

Funding Policy

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 7.75% of the School's covered payroll.

Note 17 - Pension Plan Obligations (continued)

The School's contributions to TRS for the years ended August 31, 2022 and 2021 were $419,268 and $324,475, respectively, which include non-OASDI participating surcharges of $158,623 and $141,166, 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 18 - 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, 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**

Note 18 - 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, 2021, as well as by level within the fair value measurement hierarchy:

	Level 1	Level 2	Level 3	Total
Money Market Funds	$ 126,529	$ -	$ -	$ 126,529
Mutual Funds	1,174,036	-	-	1,174,036
Stocks	10,206	-	-	10,206
	$ 1,310,771	$ -	$ -	$ 1,310,771

Note 19 - 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.

	2022	2021
Cash and Cash Equivalents	**$ 10,827,955**	$ 15,889,864
Investments	**1,137,119**	1,310,771
Accounts Receivable	**62,600**	48,402
Due from Texas Education Agency	**3,249,515**	2,007,444
Total Financial Assets	**15,277,189**	19,256,481
Donor Restrictions (net of Foundation School Program)	**(6,100)**	(6,350)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	**$ 15,271,089**	$ 19,250,131

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.

SPECIFIC-PURPOSE FINANCIAL STATEMENTS

ORENDA EDUCATION (CHARTER HOLDER)
STATEMENTS OF FINANCIAL POSITION
August 31, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**$ 3,526,394**	$ 3,789,464
Total Current Assets	**3,526,394**	3,789,464
LONG-TERM ASSETS		
Long-Term Investments	**1,137,119**	1,310,771
Property and Equipment, net	**2,504,967**	2,553,076
Total Long-Term Assets	**3,642,086**	3,863,847
TOTAL ASSETS	**$ 7,168,480**	$ 7,653,311
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	**$ -**	$ 3,190
Other Liabilities	**500**	500
Accrued Expenses	**11,834**	11,610
Due to Orenda Education Charter School	**-**	286,849
Total Current Liabilities	**12,334**	302,149
TOTAL LIABILITIES	**12,334**	302,149
NET ASSETS		
Without Donor Restrictions	**7,155,546**	7,350,312
With Donor Restrictions	**600**	850
TOTAL NET ASSETS	**7,156,146**	7,351,162
TOTAL LIABILITIES AND NET ASSETS	**$ 7,168,480**	$ 7,653,311

See independent auditor's report.

ORENDA EDUCATION (CHARTER SCHOOL)
STATEMENTS OF FINANCIAL POSITION
August 31, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**$ 7,301,561**	$ 12,100,400
Accounts Receivable	**62,600**	48,402
Due from Texas Education Agency	**3,249,515**	2,007,444
Due from Orenda Education (Charter Holder)	**-**	286,849
Other Receivables	**-**	101,340
Prepaid Expenses	**130,765**	281,601
Total Current Assets	**10,744,441**	14,826,036
LONG-TERM ASSETS		
Property and Equipment, net	**45,101,036**	37,394,995
Sinking Fund for Bonds Payable	**2,326,919**	1,945,045
Total Long-Term Assets	**47,427,955**	39,340,040
TOTAL ASSETS	**$ 58,172,396**	$ 54,166,076
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	**$ 989,083**	$ 462,384
Accrued Expenses	**1,081,364**	945,189
Due to Texas Education Agency	**-**	22,460
Deferred Revenue	**134,610**	93,869
Other Liabilities	**118,244**	101,058
Bonds Payable - current	**660,000**	635,000
Total Current Liabilities	**2,983,301**	2,259,960
LONG-TERM LIABILITIES		
Bonds Payable - long-term, net	**39,197,367**	39,768,097
Total Long-Term Liabilities	**39,197,367**	39,768,097
TOTAL LIABILITIES	**42,180,668**	42,028,057
NET ASSETS		
Without Donor Restrictions	**14,455,836**	3,972,954
With Donor Restrictions	**1,535,892**	8,165,065
TOTAL NET ASSETS	**15,991,728**	12,138,019
TOTAL LIABILITIES AND NET ASSETS	**$ 58,172,396**	$ 54,166,076

See independent auditor's report.

ORENDA EDUCATION (CHARTER HOLDER)
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2022
(with comparative totals for 2021)

	2022			
	Without Donor Restrictions	With Donor Restrictions	Total	2021 Total
OPERATING REVENUES AND OTHER SUPPORT				
Contributions	$ 662,281	$ -	**$ 662,281**	$ 561,857
Professional Services	102,465	-	**102,465**	56,790
Miscellaneous Income	78,935	-	**78,935**	134,097
In-Kind Donations	38,000	-	**38,000**	-
Net Assets Released from Restrictions	250	(250)	**-**	-
TOTAL OPERATING REVENUES AND OTHER SUPPORT	881,931	(250)	**881,681**	752,744
OPERATING EXPENSES				
Charitable Contributions	662,281	-	**662,281**	-
Miscellaneous Expense	136,189	-	**136,189**	54,426
Salaries and Benefits	52,198	-	**52,198**	50,557
Depreciation and Amortization	48,109	-	**48,109**	134,313
Professional Fees	2,900	-	**2,900**	4,742
TOTAL OPERATING EXPENSES	901,677	-	**901,677**	244,038
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	(19,746)	(250)	**(19,996)**	508,706
NON-OPERATING ACTIVITY				
Intercompany Bond & Related Account Transfer	-	-	**-**	2,131,502
Investment (Loss) Income	(175,020)	-	**(175,020)**	206,403
TOTAL NON-OPERATING ACTIVITY	(175,020)	-	**(175,020)**	2,337,905
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	(194,766)	(250)	**(195,016)**	2,846,611
NET ASSETS, Beginning of Year	7,350,312	850	**7,351,162**	4,504,551
NET ASSETS, End of Year	$ 7,155,546	$ 600	**$ 7,156,146**	$ 7,351,162

See independent auditor's report.

ORENDA EDUCATION (CHARTER SCHOOL)
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2022
(with comparative totals for 2021)

	2022			
	Without Donor Restrictions	With Donor Restrictions	Total	2021 Total
OPERATING REVENUES AND OTHER SUPPORT				
Local Support:				
5742 Earnings from Temporary Deposits and Investments	$ 8,554	$ -	**$ 8,554**	$ 231,335
5743 Rent	-	-	**-**	14,776
5744 Gifts and Bequests	662,281	-	**662,281**	-
5749 E-Rate Revenue	101,340	-	**101,340**	101,340
5751 Food Service Activity	461,452	-	**461,452**	159,329
5752 Athletic Activities	52,643	-	**52,643**	57,274
5769 Miscellaneous Revenue from Intermediate Sources	254,550	-	**254,550**	246,067
Total Local Support	1,540,820	-	**1,540,820**	810,121
State Program Revenues:				
5810 Foundation School Program Act Revenues	-	17,803,634	**17,803,634**	17,711,472
5820 State Program Revenues Distributed by Texas Education Agency	-	180,221	**180,221**	283,974
Total State Program Revenues	-	17,983,855	**17,983,855**	17,995,446
Federal Program Revenues:				
5920 Federal Revenues Distributed by Texas Education Agency	-	2,363,699	**2,363,699**	1,236,200
5930 Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	-	203,125	**203,125**	144,982
Total Federal Program Revenues	-	2,566,824	**2,566,824**	1,381,182
Net Assets Released From Restrictions				
Restrictions Satisfied By Payments	27,179,852	(27,179,852)	**-**	-
TOTAL OPERATING REVENUES AND OTHER SUPPORT	28,720,672	(6,629,173)	**22,091,499**	20,186,749
OPERATING EXPENSES				
11 Instruction	8,697,348	-	**8,697,348**	8,383,540
12 Instructional Resources and Media Services	32,454	-	**32,454**	33,304
13 Curriculum Development and Instructional Staff Development	298,811	-	**298,811**	198,439
21 Instructional Leadership	320,865	-	**320,865**	190,509
23 School Leadership	939,109	-	**939,109**	922,218
31 Guidance, Counseling, and Evaluation Services	487,033	-	**487,033**	490,341
33 Health Services	99,510	-	**99,510**	93,233
34 Student Transportation	90,111	-	**90,111**	63,385
35 Food Services	363,851	-	**363,851**	182,725
36 Extracurricular Activities	498,896	-	**498,896**	505,061
41 General Administration	996,213	-	**996,213**	790,507
51 Plant Maintenance and Operations	2,904,631	-	**2,904,631**	2,703,645
52 Security and Monitoring Services	13,679	-	**13,679**	546
53 Data Processing Services	613,756	-	**613,756**	564,907
61 Community Services	222	-	**222**	-
71 Debt Service	1,668,393	-	**1,668,393**	2,061,515
81 Fundraising	212,908	-	**212,908**	203,912
TOTAL OPERATING EXPENSES	18,237,790	-	**18,237,790**	17,387,787
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	10,482,882	(6,629,173)	**3,853,709**	2,798,962
NON-OPERATING ACTIVITY				
Intercompany Bond and Related Account Transfer	-	-	**-**	(2,131,502)
Unrealized Loss on Escrow (5740)	-	-	**-**	(176,705)
TOTAL NON-OPERATING ACTIVITY	-	-	**-**	(2,308,207)
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	10,482,882	(6,629,173)	**3,853,709**	490,755
NET ASSETS, Beginning of Year	3,972,954	8,165,065	**12,138,019**	11,647,264
NET ASSETS, End of Year	$ 14,455,836	$ 1,535,892	**$ 15,991,728**	$ 12,138,019

See independent auditor's report.

ORENDA EDUCATION (CHARTER HOLDER)
STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) Increase in Net Assets	**$ (195,016)**	$ 2,846,611
Adjustments to Reconcile Net Change to Net Cash (Used)		
Provided by Operations:		
Depreciation and Amortization	**48,109**	134,313
Unrealized Loss (Gain) on Investments	**238,941**	(190,594)
Intercompany Bond and Related Account Transfer	**-**	(2,131,502)
(Decrease) Increase in Liabilities:		
Accounts Payable	**(3,190)**	(416,222)
Accrued Expenses	**224**	90
Due to Orenda Education Charter School	**(286,849)**	253,785
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	**(197,781)**	496,481
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	**(65,289)**	(18,531)
NET CASH USED BY INVESTING ACTIVITIES	**(65,289)**	(18,531)
CASH FLOWS FROM FINANCING ACTIVITIES		
Transfer of Bond and Related Accounts to Orenda Charter School	**-**	(4,921,970)
NET CASH USED BY FINANCING ACTIVITIES	**-**	(4,921,970)
NET DECREASE IN CASH FLOWS	**(263,070)**	(4,444,020)
CASH AND CASH EQUIVALENTS, Beginning of Year	**3,789,464**	3,937,568
RESTRICTED CASH, Beginning of Year	**-**	4,295,916
LESS RESTRICTED CASH, End of Year	**-**	-
CASH AND CASH EQUIVALENTS, End of Year	**$ 3,526,394**	$ 3,789,464
Supplemental Disclosures		
Transfer of Property and Equipment to Orenda Charter School	**$ -**	$ 36,295,848
Transfer of Bonds Payable to Orenda Charter School	**$ -**	$ 44,917,027
Transfer of Sinking Fund for Bonds Payable to Orenda Charter School	**$ -**	$ 1,567,707

See independent auditor's report.

ORENDA EDUCATION (CHARTER SCHOOL)
STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Foundation School Program Payments	**$ 17,329,486**	$ 17,470,562
Grant Payments	**2,353,113**	1,244,444
Miscellaneous Sources	**1,479,096**	89,834
Payments to Vendors for Goods and Services Rendered	**(3,329,322)**	(3,397,356)
Payments to Charter School Personnel for Services Rendered	**(10,990,193)**	(10,136,043)
Interest Payments	**(1,579,124)**	(1,905,444)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**5,263,056**	3,365,997
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	**(9,045,021)**	(931,875)
Sale of Investments	**-**	547,721
Purchase of Investments	**-**	(231,335)
NET CASH USED BY INVESTING ACTIVITIES	**(9,045,021)**	(615,489)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments into Sinking Fund	**(381,874)**	(377,338)
Transfer of Bond and Related Accounts from Charter Holder	**-**	4,921,970
Redemption on Bonds Payable	**-**	(4,055,000)
Payments on Bonds Payable	**(635,000)**	(615,000)
Payments on Long-Term Debt	**-**	(2,713)
NET CASH USED BY FINANCING ACTIVITIES	**(1,016,874)**	(128,081)
NET (DECREASE) INCREASE IN CASH FLOWS	**(4,798,839)**	2,622,427
CASH AND CASH EQUIVALENTS, Beginning of Year	**12,100,400**	9,477,973
CASH AND CASH EQUIVALENTS, End of Year	**$ 7,301,561**	$ 12,100,400
Reconciliation of Change in Net Assets to Net Cash Provided by Operations:		
Change in Net Assets	**$ 3,853,709**	$ 490,755
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operations:		
Depreciation and Amortization	**1,428,250**	1,409,986
Intercompany Bond and Related Account Transfer	**-**	2,131,502
(Increase) Decrease in Assets:		
Accounts Receivable	**(14,198)**	(19,527)
Due from Texas Education Agency	**(1,242,071)**	(660,046)
Due from Orenda Education (Charter Holder)	**286,849**	(253,785)
Other Receivables	**101,340**	51,873
Prepaid Expenses	**150,836**	(102,040)
Increase (Decrease) in Liabilities:		
Accounts Payable	**526,699**	383,050
Accrued Expenses	**136,175**	63,585
Due to Texas Education Agency	**(22,460)**	(204,683)
Deferred Revenue	**40,741**	41,432
Other Liabilities	**17,186**	33,895
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ 5,263,056**	$ 3,365,997
Supplemental Disclosures		
Bus Loan Interest	**$ -**	$ 7
Bond Interest	**$ 1,579,124**	$ 1,905,437
Receipt of Property and Equipment from Charter Holder	**$ -**	$ 36,295,848
Receipt of Sinking Fund for Bonds Payable from Charter Holder	**$ -**	$ 1,567,707
Receipt of Bonds Payable from Charter Holder	**$ -**	$ 44,917,027

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF EXPENSES
For the Years Ended August 31, 2022 and 2021

		2022	2021
Orenda Education (Consolidated)			
Expenses			
6100	Payroll Costs	**$ 11,178,566**	$ 10,250,185
6200	Professional and Contracted Services	**2,503,041**	2,331,703
6300	Supplies and Materials	**1,082,189**	1,167,434
6400	Other Operating Costs	**1,942,532**	1,764,198
6500	Debt	**1,668,393**	2,061,515
	Total Expenses	**$ 18,374,721**	$ 17,575,035
Orenda Education (Charter Holder)			
Expenses			
6100	Payroll Costs	**$ 52,198**	$ 50,557
6200	Professional and Contracted Services	**2,900**	4,742
6400	Other Operating Costs	**184,298**	188,739
	Total Expenses (net of eliminating entries)	**$ 239,396**	$ 244,038
Orenda Education (Charter School)			
Expenses			
6100	Payroll Costs	**$ 11,126,368**	$ 10,199,628
6200	Professional and Contracted Services	**2,500,141**	2,326,961
6300	Supplies and Materials	**1,082,189**	1,167,434
6400	Other Operating Costs	**1,758,234**	1,575,459
6500	Debt	**1,668,393**	2,061,515
	Total Expenses (net of eliminating entries)	**$ 18,135,325**	$ 17,330,997

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF CAPITAL ASSETS
August 31, 2022

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	$ 3,526,394	$ 7,301,561	$ -
1510 Land and Improvements	1,128,728	6,254,595	-
1515 Construction in Progress	-	1,112,779	-
1520 Buildings and Improvements	1,599,634	42,439,343	812,209
1531 Vehicles	-	455,805	108,560
1539 Furniture and Equipment	50,085	1,530,554	-
Total Capital Assets	$ 6,304,841	$ 59,094,637	$ 920,769

	Ownership Interest		
Orenda Education (Charter Holder)	**Local**	**State**	**Federal**
1110 Cash	$ 3,526,394	$ -	$ -
1510 Land and Improvements	1,128,728	-	-
1520 Buildings and Improvements	1,599,634	-	-
1539 Furniture and Equipment	50,085	-	-
Total Capital Assets	$ 6,304,841	$ -	$ -

	Ownership Interest		
Orenda Charter School	**Local**	**State**	**Federal**
1110 Cash	$ -	$ 7,301,561	$ -
1510 Land and Improvements	-	6,254,595	-
1515 Construction in Progress	-	1,112,779	-
1520 Buildings and Improvements	-	42,439,343	812,209
1531 Vehicles	-	455,805	108,560
1539 Furniture and Equipment	-	1,530,554	-
Total Capital Assets	$ -	$ 59,094,637	$ 920,769

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2022

	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	$ 87,000	$ 603,340	$ (516,340)	[1]	$ 772,175	$ 168,835	
5750 Revenue from Cocurricular/Enterprising	404,500	404,500	-		514,095	109,595	
5760 Revenues from Intermediate Sources	213,000	213,000	-		254,550	41,550	
Total Local Support	704,500	1,220,840	(516,340)		1,540,820	319,980	
State Program Revenues:							
5810 Foundation School Program Act Revenues	18,173,873	17,703,873	470,000		17,803,634	99,761	
5820 State Program Revenues Distributed by Texas Education Agency	212,000	180,000	32,000	[2]	180,221	221	
Total State Program Revenues	18,385,873	17,883,873	502,000		17,983,855	99,982	
Federal Program Revenues:							
5920 Federal Revenues Distributed by Texas Education Agency	1,929,205	1,929,205	-		2,363,699	434,494	
5930 Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	130,136	354,136	(224,000)	[3]	203,125	(151,011)	[4]
Total Federal Program Revenues	2,059,341	2,283,341	(224,000)		2,566,824	283,483	
TOTAL OPERATING REVENUES AND OTHER SUPPORT	21,149,714	21,388,054	(238,340)		22,091,499	703,445	
OPERATING EXPENSES							
11 Instruction	9,241,113	8,959,113	282,000		8,697,348	261,765	
12 Instructional Resources and Media Services	35,912	35,912	-		32,454	3,458	
13 Curriculum Development and Instructional Staff Development	314,583	326,583	(12,000)		298,811	27,772	
21 Instructional Leadership	306,655	393,855	(87,200)	[5]	320,865	72,990	
23 School Leadership	1,000,893	1,010,293	(9,400)		939,109	71,184	
31 Guidance, Counseling, and Evaluation Services	594,701	602,001	(7,300)		487,033	114,968	
33 Health Services	103,651	104,151	(500)		99,510	4,641	
34 Student Transportation	87,785	110,785	(23,000)	[6]	90,111	20,674	
35 Food Services	279,981	384,481	(104,500)	[7]	363,851	20,630	
36 Extracurricular Activities	569,678	569,678	-		498,896	70,782	
41 General Administration	901,174	963,674	(62,500)		996,213	(32,539)	
51 Plant Maintenance and Operations	2,657,825	3,182,825	(525,000)	[8]	2,904,631	278,194	
52 Security and Monitoring Services	12,636	22,636	(10,000)	[9]	13,679	8,957	
53 Data Processing Services	592,275	644,275	(52,000)		613,756	30,519	
61 Community Services	-	250	(250)	[10]	222	-	
71 Debt Service	2,592,897	1,943,897	649,000	[11]	1,668,393	275,504	
81 Fundraising	211,245	211,495	(250)		212,908	(1,413)	
TOTAL OPERATING EXPENSES	19,503,004	19,465,904	37,100		18,237,790	1,228,086	
CHANGE IN NET ASSETS	1,646,710	1,922,150	(201,240)		3,853,709	1,931,531	
NET ASSETS, Beginning of Year	12,138,019	12,138,019	-		12,138,019	-	
NET ASSETS, End of Year	$ 13,784,729	$ 14,060,169	$ (201,240)		$ 15,991,728	$ 1,931,531	

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
NOTES TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2022

(1) Variance is due to final budget being amended for donations received from the Charter Holder during the year.

(2) Variance is due to actual IMA funds received for FY'22 being less than originally planned.

(3) Variance is due to final budget being amended for Wilco Round 2 funding for CARES Act reimbursements not expected when budget was initially prepared.

(4) Variance is due to current year budgeted amount for Wilco Round 2 funding for CARES Act reimbursements being overstated. This is due to funds received spanning over multiple fiscal years but budgeted in FY 2022 when the reimbursement was received.

(5) Variance is due to additional contracted services and supplies needed for 504 and dyslexia services rendered. Final budget was adjusted accordingly.

(6) Variance is due to additional repairs needed for aging bus fleet. Final budget was adjusted accordingly.

(7) Variance is due to increased participation in the food program which resulted in additional funds needed for personnel, food, and supplies. Final budget was adjusted accordingly.

(8) Variance is due to increased depreciation, property insurance, housekeeping and maintenance expenses required for buildings. Final budget was adjusted accordingly.

(9) Variance is due to emergency operations plan expenses being higher than originally anticipated. Final budget was adjusted accordingly.

(10) Variance is due to town hall meeting supplies being needed that were not intially anticipated. Final budget was adjusted accordingly.

(11) Variance is due to original budget being based on interest and principal payments; final budget was updated to reflect only interest expense.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
For the Year Ended August 31, 2022

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.	$	330,713
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)	$	236,557

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.	$	23,418
AP8	List the actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25, 35)	$	13,076

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS
For the Year Ended August 31, 2022

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	$ 41,145
Chase Rickey	Richard Rickey	Child	Benefit	Monthly	Health/Medical & Life Ins.	State	$ 4,616
Amanda Rachuig	Phillip Rachuig	Spouse	Compensation	Monthly	Salary	State	$ 6,631
Amanda Rachuig	Phillip Rachuig	Spouse	Benefit	Monthly	Health/Medical & Life Ins.	State	$ 758

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year Ended August 31, 2022

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, 2022

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	$ 5,680,230	$ 2,030,587	$ 3,649,643	$ -
AW0427 AW0427 - Mott, J. Sur., Acres 14.125	3360 Westinghouse Rd, Georgetown, Tx	697,775	697,775	-	-
A Flores Abst #214 1.100 Ac (Kingsland Plaza)	2112 W RR 1431, Kingsland, Tx	755,270	-	755,270	-
AW0427 AW0427 - Mott, J. Sur., Acres 22.93	3320 Westinghouse Rd, Georgetown, TX 78626	2,400,549	-	2,400,549	-
Total Real Property Ownership Interest		$ 9,533,824	$ 2,728,362	$ 6,805,462	$ -

See independent auditor's report.

CONSOLIDATING FINANCIAL STATEMENTS

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
August 31, 2022
(with comparative totals for 2021)

	2022				
	Orenda Education (Charter Holder)	Orenda Education Charter School	Eliminating Entries	Total	2021 Total
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	$ 3,526,394	$ 7,301,561	$ -	**$ 10,827,955**	$ 15,889,864
Accounts Receivable	-	62,600	-	**62,600**	48,402
Due from Texas Education Agency	-	3,249,515	-	**3,249,515**	2,007,444
Other Receivables	-	-	-	**-**	101,340
Prepaid Expenses	-	130,765	-	**130,765**	281,601
Total Current Assets	3,526,394	10,744,441	-	**14,270,835**	18,328,651
LONG-TERM ASSETS					
Long-Term Investments	1,137,119	-	-	**1,137,119**	1,310,771
Sinking Fund for Bonds Payable	-	2,326,919	-	**2,326,919**	1,945,045
Property and Equipment, net	2,504,967	45,101,036	-	**47,606,003**	39,948,071
Total Long-Term Assets	3,642,086	47,427,955	-	**51,070,041**	43,203,887
TOTAL ASSETS	$ 7,168,480	$ 58,172,396	$ -	**$ 65,340,876**	$ 61,532,538
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable	$ -	$ 989,083	$ -	**$ 989,083**	$ 465,574
Accrued Expenses	11,834	1,081,364	-	**1,093,198**	956,799
Due to Texas Education Agency	-	-	-	**-**	22,460
Deferred Revenue	-	134,610	-	**134,610**	93,869
Other Liabilities	500	118,244	-	**118,744**	101,558
Bonds Payable - current	-	660,000	-	**660,000**	635,000
Total Current Liabilities	12,334	2,983,301	-	**2,995,635**	2,275,260
LONG-TERM LIABILITIES					
Bonds Payable - long-term, net	-	39,197,367	-	**39,197,367**	39,768,097
Total Long-Term Liabilities	-	39,197,367	-	**39,197,367**	39,768,097
TOTAL LIABILITIES	12,334	42,180,668	-	**42,193,002**	42,043,357
NET ASSETS					
Without Donor Restrictions	7,155,546	14,455,836	-	**21,611,382**	11,323,266
With Donor Restrictions	600	1,535,892	-	**1,536,492**	8,165,915
TOTAL NET ASSETS	7,156,146	15,991,728	-	**23,147,874**	19,489,181
TOTAL LIABILITIES AND NET ASSETS	$ 7,168,480	$ 58,172,396	$ -	**$ 65,340,876**	$ 61,532,538

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2022
(with comparative totals for 2021)

	2022				
	Orenda Education (Charter Holder)	**Orenda Education Charter School**	**Eliminating Entries**	**Total**	2021 Total
OPERATING REVENUES AND OTHER SUPPORT					
Local Support:					
Contributions	$ 662,281	$ 662,281	$ (662,281)	**$ 662,281**	$ 561,857
Food Service Activity	-	461,452	-	**461,452**	159,329
Miscellaneous Revenue from Intermediate Sources	78,935	254,550	-	**333,485**	380,164
E-Rate Revenue	-	101,340	-	**101,340**	101,340
Athletic Activities	-	52,643	-	**52,643**	57,274
In-Kind Donations	38,000	-	-	**38,000**	-
Earnings from Temporary Deposits and Investments	-	8,554	-	**8,554**	231,335
Rent	-	-	-	**-**	14,776
Professional Services	102,465	-	(102,465)	**-**	-
Total Local Support	881,681	1,540,820	(764,746)	**1,657,755**	1,506,075
State Program Revenues:					
Foundation School Program Act Revenues	-	17,803,634	-	**17,803,634**	17,711,472
State Program Revenues Distributed by Texas Education Agency	-	180,221	-	**180,221**	283,974
Total State Program Revenues	-	17,983,855	-	**17,983,855**	17,995,446
Federal Program Revenues:					
Federal Revenues Distributed by Texas Education Agency	-	2,363,699	-	**2,363,699**	1,236,200
Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	-	203,125	-	**203,125**	144,982
Total Federal Program Revenues	-	2,566,824	-	**2,566,824**	1,381,182
TOTAL OPERATING REVENUES AND OTHER SUPPORT	881,681	22,091,499	(764,746)	**22,208,434**	20,882,703
OPERATING EXPENSES	901,677	18,237,790	(764,746)	**18,374,721**	17,575,035
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	(19,996)	3,853,709	-	**3,833,713**	3,307,668
NON-OPERATING ACTIVITY					
Investment (Loss) Income	(175,020)	-	-	**(175,020)**	206,403
Unrealized Loss on Escrow (5740)	-	-	-	**-**	(176,705)
TOTAL NON-OPERATING ACTIVITY	(175,020)	-	-	**(175,020)**	29,698
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	(195,016)	3,853,709	-	**3,658,693**	3,337,366
NET ASSETS, Beginning of Year	7,351,162	12,138,019	-	**19,489,181**	16,151,815
NET ASSETS, End of Year	$ 7,156,146	$ 15,991,728	$ -	**$ 23,147,874**	$ 19,489,181

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended August 31, 2022
(with comparative totals for 2021)

	2022				
	Orenda Education (Charter Holder)	**Orenda Education Charter School**	**Eliminating Entries**	**Total**	2021 Total
OPERATING EXPENSES					
Salaries	$ 46,860	$ 9,829,088	$ -	**$ 9,875,948**	$ 9,119,618
Payroll Taxes and Benefits	5,338	1,297,280	-	**1,302,618**	1,187,357
Total Payroll Expenses	52,198	11,126,368	-	**11,178,566**	10,306,975
Interest	-	1,579,124	-	**1,579,124**	1,905,444
Depreciation	48,109	1,338,981	-	**1,387,090**	1,388,228
Contract Labor	-	890,614	(102,465)	**788,149**	612,990
General Supplies	-	652,982	-	**652,982**	911,323
Utilities	-	564,613	-	**564,613**	540,083
Maintenance and Repair	-	535,573	-	**535,573**	545,945
Rental Expense	-	454,402	-	**454,402**	495,264
Miscellaneous	136,189	112,552	-	**248,741**	155,942
Instructional Materials	-	207,057	-	**207,057**	172,342
Food	-	202,185	-	**202,185**	73,529
Insurance and Bonding	-	198,858	-	**198,858**	144,980
Professional Fees	2,900	97,018	-	**99,918**	37,967
Amortization of Bond Issue Costs	-	89,269	-	**89,269**	156,071
Travel	-	78,238	-	**78,238**	46,409
Educational Service Center	-	60,386	-	**60,386**	42,664
Dues and Subscriptions	-	29,605	-	**29,605**	28,639
Gas and Fuel	-	19,965	-	**19,965**	10,240
Charitable Contributions	662,281	-	(662,281)	**-**	-
TOTAL OPERATING EXPENSES	$ 901,677	$ 18,237,790	$ (764,746)	**$ 18,374,721**	$ 17,575,035

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, 2022

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	$ 204,374
Special Education Grants to States	84.027A	226600010148046000	333,592
Supporting Effective Instruction State Grants	84.367A	22694501014804	27,572
Supporting Effective Instruction State Grants	84.367A	216945797110024	52,162
Supporting Effective Instruction State Grants	84.367A	226945797110022	90
			79,824
Student Support and Academic Enrichment Program	84.424A	22680101014804	17,630
COVID-19 Education Stabilization Fund	84.425D	21521001014804	405,730
COVID-19 Education Stabilization Fund	84.425U	21528001014804	1,223,585
			1,629,315
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	3935220114804	45,450
Total Pass-Through Texas Education Agency			2,310,185
Total U.S. Department of Education			2,310,185
U.S. Department of the Treasury:			
Pass-Through Williamson County:			
Coronavirus Relief Fund	21.019	N/A	53,515
Total Pass-Through Williamson County			53,515
Total U.S. Department of the Treasury			53,515
TOTAL EXPENDITURES OF FEDERAL AWARDS			2,363,700
Texas Education Agency:			
Textbook and Technology Materials	N/A	25002101	179,321
Total Texas Education Agency			179,321
TOTAL EXPENDITURES OF STATE AWARDS			179,321
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			$ 2,543,021

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, 2022

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, 2022.

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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, 2022, 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 16, 2023.

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 16, 2023

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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, 2022. 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, 2022.

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 16, 2023

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2022

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	No

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, 2022

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