ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS

CONSOLIDATED FINANCIAL STATEMENTS WITH COMPLIANCE AND SINGLE AUDIT REPORTING

August 31, 2021 and 2020

Randy Walker & Co., Certified Public Accountants

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATED FINANCIAL STATEMENTS WITH COMPLIANCE AND SINGLE AUDIT REPORTING
August 31, 2021 and 2020

Table of Contents

Certificate of Board	1
Independent Auditor's Report	2-3
General-Purpose Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Functional Expenses	6
Consolidated Statements of Cash Flows	7
Notes to Financial Statements	8-21
Specific-Purpose Financial Statements	
Statements of Financial Position	
Orenda Education (Charter Holder)	22
Orenda Education (Charter School)	23
Statement of Activities	
Orenda Education (Charter Holder)	24
Orenda Education (Charter School)	25
Statements of Cash Flows	
Orenda Education (Charter Holder)	26
Orenda Education (Charter School)	27
Schedule of Expenses	28
Schedule of Capital Assets	29
Budgetary Comparison Schedule	30
Use of Funds Report - Select State Allotment Programs	31
Schedule of Related Party Compensation and Benefits	32
Schedule of Related Party Transactions	33
Schedule of Real Property Ownership Interest	34
Consolidating Financial Statements	
Consolidating Statement of Financial Position	35
Consolidating Statement of Activities	36
Consolidating Statement of Functional Expenses	37
Single Audit Section	
Schedule of Expenditures of Federal and State Awards	38
Notes to Schedule of Expenditures of Federal and State Awards	39
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*	40-41

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATED FINANCIAL STATEMENTS WITH COMPLIANCE AND SINGLE AUDIT REPORTING
August 31, 2021 and 2020

Table of Contents
-continued-

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	42-43
Schedule of Findings and Questioned Costs	44
Summary Schedule of Prior Audit Findings	45

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, 2021, at a meeting of the Board of Directors of such charter holder on the 17th day of January, 2022.

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

7800 IH 10 West, Suite 505 | San Antonio, TX 78230
T: 210.366.9430 | F: 210.366.9451 | randywalkercpa.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Orenda Education (the Charter Holder) dba Orenda Charter Schools, a nonprofit organization, which comprise the consolidated statements of financial position as of August 31, 2021 and 2020, and the related consolidated statements of activities (with comparative totals for 2020), functional expenses (with comparative totals for 2020), and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Charter Holder as of August 31, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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 22-34, the consolidating financial statements on pages 35-37, and the accompanying schedule of expenditures of federal and state awards on page 38, 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 17, 2022 on pages 40-41 on our consideration of the Charter Holder'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 Charter Holder's internal control over financial reporting and compliance.

Randy Walker & Co.

San Antonio, Texas
January 17, 2022

GENERAL-PURPOSE FINANCIAL STATEMENTS

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
August 31, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**$ 15,889,864**	$ 13,415,541
Short-Term Investments	**-**	316,387
Accounts Receivable	**48,402**	28,875
Due from Texas Education Agency	**2,007,444**	1,347,398
Other Receivables	**101,340**	153,213
Prepaid Expenses	**281,601**	179,561
Total Current Assets	**18,328,651**	15,440,975
LONG-TERM ASSETS		
Restricted Cash	**-**	4,295,916
Long-Term Investments	**1,310,771**	1,101,646
Sinking Fund for Bonds Payable	**1,945,045**	1,567,707
Property and Equipment, net	**39,948,071**	40,404,424
Total Long-Term Assets	**43,203,887**	47,369,693
TOTAL ASSETS	**$ 61,532,538**	$ 62,810,668
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	**$ 465,574**	$ 498,746
Accrued Expenses	**956,799**	893,124
Due to Texas Education Agency	**22,460**	227,143
Deferred Revenue	**93,869**	52,437
Other Liabilities	**101,558**	67,663
Loan Payable - current	**-**	2,713
Bonds Payable - current	**635,000**	615,000
Total Current Liabilities	**2,275,260**	2,356,826
LONG-TERM LIABILITIES		
Bonds Payable - long-term, net	**39,768,097**	44,302,027
Total Long-Term Liabilities	**39,768,097**	44,302,027
TOTAL LIABILITIES	**42,043,357**	46,658,853
NET ASSETS		
Without Donor Restrictions	**11,323,266**	8,166,027
With Donor Restrictions	**8,165,915**	7,985,788
TOTAL NET ASSETS	**19,489,181**	16,151,815
TOTAL LIABILITIES AND NET ASSETS	**$ 61,532,538**	$ 62,810,668

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, 2021
(with comparative totals for 2020)

	2021			
	Without Donor Restrictions	With Donor Restrictions	Total	2020 Total
OPERATING REVENUES AND OTHER SUPPORT				
Local Support:				
Contributions	$ 561,107	$ 750	**$ 561,857**	$ 436,685
Miscellaneous Revenue from Intermediate Sources	380,164	-	**380,164**	247,178
Food Service Activity	159,329	-	**159,329**	301,082
E-Rate Revenue	101,340	-	**101,340**	153,213
Athletic Activities	57,274	-	**57,274**	38,607
Rent	14,776	-	**14,776**	-
Earnings from Temporary Deposits and Investments	231,335	-	**231,335**	7,338
Interest Income	-	-	**-**	263,976
Total Local Support	1,505,325	750	**1,506,075**	1,448,079
State Program Revenues:				
Foundation School Program Act Revenues	-	17,711,472	**17,711,472**	16,452,861
State Program Revenues Distributed by Texas Education Agency	-	283,974	**283,974**	29,260
Total State Program Revenues	-	17,995,446	**17,995,446**	16,482,121
Federal Program Revenues:				
Federal Revenues Distributed by Texas Education Agency	-	1,071,330	**1,071,330**	509,895
Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	-	309,852	**309,852**	213,203
Federal Revenues Distributed Directly from the Federal Government	-	-	**-**	1,843,300
Total Federal Program Revenues	-	1,381,182	**1,381,182**	2,566,398
Net Assets Released From Restrictions				
Restrictions Satisfied By Payments	19,197,251	(19,197,251)	**-**	-
TOTAL OPERATING REVENUES AND OTHER SUPPORT	20,702,576	180,127	**20,882,703**	20,496,598
OPERATING EXPENSES				
Program	14,924,260	-	**14,924,260**	14,283,919
General and Administrative	2,431,293	-	**2,431,293**	2,409,078
Fundraising	219,482	-	**219,482**	235,598
TOTAL OPERATING EXPENSES	17,575,035	-	**17,575,035**	16,928,595
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	3,127,541	180,127	**3,307,668**	3,568,003
NON-OPERATING ACTIVITY				
Investment Income	206,403	-	**206,403**	128,042
Unrealized Loss on Escrow (5740)	(176,705)	-	**(176,705)**	(107,509)
TOTAL NON-OPERATING ACTIVITY	29,698	-	**29,698**	20,533
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	3,157,239	180,127	**3,337,366**	3,588,536
NET ASSETS, Beginning of Year	8,166,027	7,985,788	**16,151,815**	12,563,279
NET ASSETS, End of Year	$ 11,323,266	$ 8,165,915	**$ 19,489,181**	$ 16,151,815

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, 2021
(with comparative totals for 2020)

	2021				
	Program	General and Administrative	Fundraising	Total	2020 Total
OPERATING EXPENSES					
Salaries	$ 7,396,254	$ 1,550,335	$ 173,029	**$ 9,119,618**	$ 8,671,870
Payroll Taxes and Benefits	974,546	189,977	22,834	**1,187,357**	1,254,220
Total Payroll Expenses	8,370,800	1,740,312	195,863	**10,306,975**	9,926,090
Interest	1,810,172	95,272	-	**1,905,444**	2,058,550
Depreciation	1,318,817	69,411	-	**1,388,228**	1,244,922
General Supplies	849,982	54,680	6,661	**911,323**	780,949
Contract Labor	521,042	91,948	-	**612,990**	440,833
Maintenance and Repair	537,756	8,189	-	**545,945**	472,731
Utilities	513,079	27,004	-	**540,083**	524,187
Rental Expense	445,738	49,526	-	**495,264**	489,714
Instructional Materials	172,342	-	-	**172,342**	79,924
Amortization of Bond Issue Costs	148,268	7,803	-	**156,071**	258,362
Miscellaneous	64,730	74,454	16,758	**155,942**	137,615
Insurance and Bonding	11,598	133,382	-	**144,980**	134,014
Food	73,529	-	-	**73,529**	135,290
Travel	34,607	11,602	200	**46,409**	82,608
Educational Service Center	36,691	5,973	-	**42,664**	64,384
Professional Fees	-	37,967	-	**37,967**	59,144
Dues and Subscriptions	4,869	23,770	-	**28,639**	28,151
Gas and Fuel	10,240	-	-	**10,240**	11,127
TOTAL OPERATING EXPENSES	$ 14,924,260	$ 2,431,293	$ 219,482	**$ 17,575,035**	$ 16,928,595

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, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	**$ 3,337,366**	$ 3,588,536
Adjustments to Reconcile Net Excess to Net Cash		
Provided by Operations:		
Depreciation and Amortization	**1,544,299**	1,503,284
Unrealized Gain on Investments	**(193,316)**	(81,553)
(Increase) Decrease in Assets:		
Accounts Receivable	**(19,527)**	11,485
Due from Texas Education Agency	**(660,046)**	(62,336)
Other Receivables	**51,873**	(153,213)
Prepaid Expenses	**(102,040)**	(34,203)
(Decrease) Increase in Liabilities:		
Accounts Payable	**(33,172)**	(283,760)
Accrued Expenses	**63,675**	48,454
Due to Texas Education Agency	**(204,683)**	208,534
Deferred Revenue	**41,432**	7,343
Other Liabilities	**33,895**	12,277
NET CASH PROVIDED BY OPERATING ACTIVITIES	**3,859,756**	4,764,848
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	**(931,875)**	(436,320)
Release of Escrow Funds	**-**	32,894
Sale of Investments	**547,721**	200,049
Purchases of Investments	**(247,144)**	(53,827)
NET CASH USED BY INVESTING ACTIVITIES	**(631,298)**	(257,204)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments into Sinking Fund	**(377,338)**	(210,121)
Redemption on Bonds Payable	**(4,055,000)**	-
Payments on Bonds Payable	**(615,000)**	(790,000)
Payments on Long-Term Debt	**(2,713)**	(16,037)
NET CASH USED BY FINANCING ACTIVITIES	**(5,050,051)**	(1,016,158)
NET (DECREASE) INCREASE IN CASH FLOWS	**(1,821,593)**	3,491,486
CASH AND CASH EQUIVALENTS, Beginning of Year	**13,415,541**	9,752,599
RESTRICTED CASH, Beginning of Year	**4,295,916**	4,467,372
LESS RESTRICTED CASH, End of Year	**-**	(4,295,916)
CASH AND CASH EQUIVALENTS, End of Year	**$ 15,889,864**	$ 13,415,541
Supplemental Disclosures:		
Bus Loan Interest	**$ 7**	$ 348
Bond Interest	**$ 1,905,437**	$ 2,058,202

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 organization 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 organization's Board of Directors governs its programs, services, activities, and functions.

As of August 31, 2021, the School operates five campus locations. Since the Charter Holder receives funding from local, state, and federal government sources, it must comply with the requirements of the entities providing those funds.

Principles of Consolidation

The accompanying consolidated financial statements as of August 31, 2021 and 2020, include the financial statements of the Charter Holder and the School. Intercompany transactions and balances have been eliminated in the consolidation.

Basis of Presentation

The consolidated financial statements of the Charter Holder 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 Charter Holder'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 Charter Holder 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 Charter Holder'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.

Grant Funds

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors may require a refund of all or part of the unused amount.

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 Charter Holder is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Charter Holder is also exempt from income and sales taxes. As of August 31, 2021, the tax years that remain subject to examination by taxing authorities begin with 2018.

Cash and Cash Equivalents

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

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

Restricted Cash

Restricted cash represents a portion of proceeds from a bond issuance (see Note 12) that are not available for operating purposes. The restricted cash was being held in a reserve account to pay off the Series 2011A bond under an optional redemption provision in the bond indenture that allows for the bond to be paid off on August 15, 2021 instead of on the original maturity date of August 15, 2041. At August 31, 2021 and 2020, restricted cash totaled $-0- and $4,295,916, respectively.

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, 2021 and 2020. All dividends, interest, and unrealized/realized gains are reported as investment income in the accompanying consolidated statement of activities.

Contributions

The Charter Holder accounts for contributions as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions in the reporting period in which the support is recognized. 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.

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 four to thirty 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.

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

Recently Adopted Accounting Pronouncements

In 2016, the FASB issued Accounting Standards Update (ASU) 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. This update was followed up in 2018 by ASU 2018-03, *Technical Corrections and Improvements to Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* and ASU 2018-09, *Codification Improvements*. These pronouncements provide guidance regarding the reporting and disclosure requirements of investments, effective for periods beginning after December 15, 2018. The Charter Holder adopted these pronouncements effective September 1, 2019.

In 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, effective for periods beginning after December 15, 2018. This pronouncement clarifies and improves the scope and the accounting guidance for contributions received and contributions made in order to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of *Topic 958, Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Charter Holder adopted this pronouncement effective September 1, 2019.

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 Charter Holder adopted this new pronouncement effective September 1, 2020. The change was applied retrospectively, but there was no cumulative effect on beginning net assets as of this date.

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 Charter Holder adopted this new pronouncement effective September 1, 2020. The change was applied retrospectively, but there was no cumulative effect on beginning net assets as of this date.

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

Revenue - Exchange Transactions

The Charter Holder receives revenue through various exchange transactions, including fundraising events and after-school activities. The revenue is reported at the amount that reflects the consideration to which the Charter Holder expects to be entitled in exchange for holding the event or conducting the after-school activity. Revenue is recognized as performance obligations are satisfied, which is at 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, 2021 and 2020. For the years ended August 31, 2021 and 2020, 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, 2021 and 2020, the School had $2,007,444 and $1,347,398, 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, 2021 and 2020, the School had $22,460 and $227,143, respectively, due to TEA for settle-up of FSP revenue.

Note 3 - Concentration of Credit Risk

The Charter Holder maintains several cash and investment accounts in various financial institutions and investment companies. Cash account balances are insured by the Federal Deposit Insurance Corporation up to $250,000 per bank. The Charter Holder also has an agreement with its bank institutions where the banks provide pledged collateral in the Charter Holder's name in the event deposits exceed FDIC limits. Therefore, the Charter Holder has no uninsured cash balances. Investment account balances are insured by the Securities Investor Protection Corporation up to $500,000. At August 31, 2021 and 2020, respectively, uninsured investment account balances totaled $684,242 and $475,364.

Note 4 - Commitments and Contingencies

The Charter Holder 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 Charter Holder 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 5 - Health and Life Insurance Coverage

During the years ended August 31, 2021 and 2020, 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, 2021 and 2020. 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 $659,068 and $630,078 for the years ended August 31, 2021 and 2020, respectively.

Note 6 - Regulated Industry

The majority of the Charter Holder's activities and revenues are a result of contracts with TEA. The Charter Holder's operations are concentrated in the education field. As such, the Charter Holder operates in a heavily regulated environment. The operations of the Charter Holder 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 - Property and Equipment

Property and equipment consisted of the following at August 31:

	Orenda Education (Charter Holder)	
	2021	2020
Land and Improvements, net	**$ 1,128,728**	$ 1,128,728
Buildings and Improvements	**1,599,634**	41,431,251
Furniture and Equipment	**50,085**	50,085
	2,778,447	42,610,064
Less Accumulated Depreciation	**(225,371)**	(3,626,827)
Total	**$ 2,553,076**	$ 38,983,237

As of August 31, 2021 and 2020, 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.

Note 7 - Property and Equipment (continued)

	Orenda Charter School	
	2021	2020
Buildings and Improvements	**$ 41,817,881**	$ 1,179,179
Vehicles	**334,753**	271,753
Furniture and Equipment	**1,516,189**	1,454,399
	43,668,823	2,905,331
Less Accumulated Depreciation	**(6,273,828)**	(1,484,144)
Total	**$ 37,394,995**	$ 1,421,187

Depreciation expense for the years ended August 31, 2021 and 2020 was $1,388,228 and $1,244,922, respectively. Fixed asset additions are included in net assets released from restrictions on the consolidated statement of activities.

Note 8 - Functional Allocation of Expenses

The costs of providing the services and other activities of the Charter Holder 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 9 - Net Assets with Donor Restrictions

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

	2021	2020
Gateway Tech High School	**$ 250**	$ -
TTR Miscellaneous	**2,000**	2,000
TX Educator Excellence Grant	**3,500**	3,500
Gateway CPS Legacy	**600**	100
Foundation School Program	**8,159,565**	7,980,188
Total	**$ 8,165,915**	$ 7,985,788

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

Note 10 - Investments

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

	Orenda Education (Charter Holder)	
	2021	2020
Cash/Money Accounts	**$ 126,529**	$ 126,282
Stocks	**10,206**	5,271
Mutual Funds	**1,174,036**	970,093
Total	**$ 1,310,771**	$ 1,101,646

	Orenda Charter School	
	2021	2020
Cash/Money Accounts	**$ -**	$ 220,698
Fixed Income - CDs	**-**	95,689
Total	**$ -**	$ 316,387

Investment income consisted of the following at August 31:

	Orenda Education (Charter Holder)	
	2021	2020
Interest/Dividends	**$ 15,809**	$ 20,459
Capital Gain	**-**	26,030
Unrealized Gain	**190,594**	81,553
Total	**$ 206,403**	$ 128,042

	Orenda Charter School	
	2021	2020
Interest/Dividends	**$ 230,398**	$ 7,561
Unrealized Gain (Loss)	**937**	(223)
Total	**$ 231,335**	$ 7,338

Note 11 - 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 $56,790 and $85,000 for the years ended August 31, 2021 and 2020, 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.

Furthermore, the School reimburses the Charter Holder for making the monthly bond payments for the Series A, B, and Q bonds. The total amount of these payments was $-0- and $2,586,599 for the years ended August 31, 2021 and 2020, respectively. Because the Charter Holder was accepting the debt service payments in lieu of facility lease payments from the School, the amount was reflected as rent revenue in the statement of activities included in the specific-purpose financial statements of the Charter Holder.

As of August 31, 2021 and 2020, there was a payable from the Charter Holder to the School for $286,849 and $33,064, 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 is 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 and the School have adopted policies that address intercompany transactions.

Note 12 - Bonds Payable

The Charter Holder's obligations under bonds payable include Taxable Education Revenue Bonds (Series 2011Q) and Education Revenue Bonds (Series 2011A) issued through the Texas Public Finance Authority Charter School Finance Corporation. These bonds are dated December 1, 2011. The Series 2011Q and A 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.

Note 12 - Bonds Payable (continued)

The Charter Holder'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, and a portion has been restricted by the Charter Holder to pay off the Series 2011A bond in 2021 (see Note 1). 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 Charter Holder'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:

	2021	2020
Series 2011A	**$ -**	$ 4,055,000
Series 2011Q	**5,250,000**	5,250,000
Series 2015A	**14,650,000**	14,790,000
Series 2017	**21,880,000**	22,355,000
	41,780,000	46,450,000
Less Current Maturities	**(635,000)**	(615,000)
Less Bond Issuance Costs, net	**(1,376,903)**	(1,532,973)
Total	**$ 39,768,097**	$ 44,302,027

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

Year Ending August 31,	
2022	$ 635,000
2023	660,000
2024	695,000
2025	730,000
2026	760,000
Thereafter	38,300,000
Total	$ 41,780,000

Note 12 - Bonds Payable (continued)

The Charter Holder 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, 2021 and 2020 was $1,945,045 and $1,567,707, respectively.

As part of the loan agreements for the bonds, the Charter Holder 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 Charter Holder was in compliance for the years ended August 31, 2021 and 2020.

The Charter Holder 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, 2021 and 2020, the Charter Holder received the subsidy benefit of $396,968 and $131,905, respectively, which was paid directly to the bond trustee on behalf of the Charter Holder. Bond interest expense, net of this subsidy benefit, was $1,905,437 and $2,058,202 for the years ended August 31, 2021 and 2020, respectively.

Note 13 - 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, 2021 and 2020 was $495,264 and $489,714, respectively.

The following is a schedule of the operating lease obligations subsequent to August 31, 2021:

Year Ending August 31,		
2022	$	377,275
2023		163,476
2024		55,692
2025		606
Total	$	597,049

Note 14 - Paycheck Protection Program Loan

During the year ended August 31, 2020, the Charter Holder received a Paycheck Protection Program (PPP) loan of $1,843,300 from the Small Business Administration as part of the CARES Act passed during the year to assist small businesses and non-profits affected by measures instituted in response to the COVID-19 pandemic. The amount was expended according to the time and purpose restrictions defined by the PPP. As of August 31, 2020, it was reasonably certain the loan would be forgiven. The Charter Holder applied for forgiveness of the PPP loan in January 2021 and was approved in March 2021. Therefore, federal revenue of $-0- and $1,843,300 was recognized in the statement of activities for the years ended August 31, 2021 and 2020, respectively.

Note 15 - 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 7.7% of their annual covered salary and the state of Texas contributes an amount equal to 7.5% of the School's covered payroll. The School's contributions to TRS for the years ended August 31, 2021 and 2020 were $324,475 and $429,885, respectively, which include non-OASDI participating surcharges of $141,166 and $125,484, 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 16 - Fair Value of Financial Instruments

The Charter Holder 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 Charter Holder'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 Charter Holder's current assets and liabilities as presented in the consolidated statements of financial position are Level 1. The Charter Holder 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 Charter Holder's financial instruments also include investments. The fair value of investments are based on quoted market prices for those or similar investments.

Note 17 - Liquidity and Availability of Financial Resources

The following reflects the Charter Holder'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.

	2021	2020
Cash and Cash Equivalents	**$ 15,889,864**	$ 13,415,541
Investments	**1,310,771**	1,418,033
Accounts Receivable	**48,402**	28,875
Due from Texas Education Agency	**2,007,444**	1,347,398
Total Financial Assets	**19,256,481**	16,209,847
Donor Restrictions (net of Foundation School Program)	**(6,350)**	(5,600)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	**$ 19,250,131**	$ 16,204,247

Note 17 - Liquidity and Availability of Financial Resources (continued)

The Charter Holder'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 Charter Holder's mission that make them available for general expenditure within one year of the consolidated statement of financial position date. The Charter Holder has a consistent inflow of cash throughout the year to cover normal operating expenses.

Note 18 - Subsequent Events

The Charter Holder has not experienced a decline in its student enrollment in fiscal year 2022 as a result of the ongoing COVID-19 pandemic. However, the Charter Holder continues to evaluate current economic conditions, and any potential financial impact cannot be reasonably estimated at this time.

The Charter Holder has evaluated subsequent events through January 17, 2022, which is the date the financial statements were available to be issued.

SPECIFIC-PURPOSE FINANCIAL STATEMENTS

ORENDA EDUCATION (CHARTER HOLDER)
STATEMENTS OF FINANCIAL POSITION
August 31, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**$ 3,789,464**	$ 3,937,568
Total Current Assets	**3,789,464**	3,937,568
LONG-TERM ASSETS		
Restricted Cash	**-**	4,295,916
Long-Term Investments	**1,310,771**	1,101,646
Sinking Fund for Bonds Payable	**-**	1,567,707
Property and Equipment, net	**2,553,076**	38,983,237
Total Long-Term Assets	**3,863,847**	45,948,506
TOTAL ASSETS	**$ 7,653,311**	$ 49,886,074
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	**$ 3,190**	$ 419,412
Other Liabilities	**500**	500
Accrued Expenses	**11,610**	11,520
Due to Orenda Education Charter School	**286,849**	33,064
Bonds Payable - current	**-**	615,000
Total Current Liabilities	**302,149**	1,079,496
LONG-TERM LIABILITIES		
Bonds Payable - long-term, net	**-**	44,302,027
Total Long-Term Liabilities	**-**	44,302,027
TOTAL LIABILITIES	**302,149**	45,381,523
NET ASSETS		
Without Donor Restrictions	**7,350,312**	4,504,451
With Donor Restrictions	**850**	100
TOTAL NET ASSETS	**7,351,162**	4,504,551
TOTAL LIABILITIES AND NET ASSETS	**$ 7,653,311**	$ 49,886,074

See independent auditor's report.

ORENDA EDUCATION (CHARTER SCHOOL)
STATEMENTS OF FINANCIAL POSITION
August 31, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**$ 12,100,400**	$ 9,477,973
Short-Term Investments	**-**	316,387
Accounts Receivable	**48,402**	28,875
Due from Texas Education Agency	**2,007,444**	1,347,398
Due from Orenda Education (Charter Holder)	**286,849**	33,064
Other Receivables	**101,340**	153,213
Prepaid Expenses	**281,601**	179,561
Total Current Assets	**14,826,036**	11,536,471
LONG-TERM ASSETS		
Property and Equipment, net	**37,394,995**	1,421,187
Sinking Fund for Bonds Payable	**1,945,045**	-
Total Long-Term Assets	**39,340,040**	1,421,187
TOTAL ASSETS	**$ 54,166,076**	$ 12,957,658
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	**$ 462,384**	$ 79,334
Accrued Expenses	**945,189**	881,604
Due to Texas Education Agency	**22,460**	227,143
Deferred Revenue	**93,869**	52,437
Other Liabilities	**101,058**	67,163
Loan Payable - current	**-**	2,713
Bonds Payable - current	**635,000**	-
Total Current Liabilities	**2,259,960**	1,310,394
LONG-TERM LIABILITIES		
Bonds Payable - long-term, net	**39,768,097**	-
Total Long-Term Liabilities	**39,768,097**	-
TOTAL LIABILITIES	**42,028,057**	1,310,394
NET ASSETS		
Without Donor Restrictions	**3,972,954**	3,661,576
With Donor Restrictions	**8,165,065**	7,985,688
TOTAL NET ASSETS	**12,138,019**	11,647,264
TOTAL LIABILITIES AND NET ASSETS	**$ 54,166,076**	$ 12,957,658

See independent auditor's report.

ORENDA EDUCATION (CHARTER HOLDER)
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2021
(with comparative totals for 2020)

	2021			
	Without Donor Restrictions	With Donor Restrictions	Total	2020 Total
OPERATING REVENUES AND OTHER SUPPORT				
Contributions	$ 561,107	$ 750	**$ 561,857**	$ 436,685
Miscellaneous Income	134,097	-	**134,097**	15,724
Professional Services	56,790	-	**56,790**	85,000
Rent	-	-	**-**	2,586,599
Interest Income	-	-	**-**	263,976
TOTAL OPERATING REVENUES AND OTHER SUPPORT	751,994	750	**752,744**	3,387,984
OPERATING EXPENSES				
Bond Interest	-	-	**-**	2,058,202
Depreciation and Amortization	134,313	-	**134,313**	1,301,298
Miscellaneous Expense	54,426	-	**54,426**	72,712
Salaries and Benefits	50,557	-	**50,557**	50,555
Professional Fees	4,742	-	**4,742**	19,202
TOTAL OPERATING EXPENSES	244,038	-	**244,038**	3,501,969
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	507,956	750	**508,706**	(113,985)
NON-OPERATING ACTIVITY				
Intercompany Bond & Related Account Transfer	2,131,502	-	**2,131,502**	-
Investment Income	206,403	-	**206,403**	128,042
Unrealized Loss on Escrow	-	-	**-**	(107,509)
TOTAL NON-OPERATING ACTIVITY	2,337,905	-	**2,337,905**	20,533
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	2,845,861	750	**2,846,611**	(93,452)
NET ASSETS, Beginning of Year	4,504,451	100	**4,504,551**	4,598,003
NET ASSETS, End of Year	$ 7,350,312	$ 850	**$ 7,351,162**	$ 4,504,551

See independent auditor's report.

ORENDA EDUCATION (CHARTER SCHOOL)
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2021
(with comparative totals for 2020)

	2021			
	Without Donor Restrictions	With Donor Restrictions	Total	2020 Total
OPERATING REVENUES AND OTHER SUPPORT				
Local Support:				
5742 Earnings from Temporary Deposits and Investments	$ 231,335	$ -	**$ 231,335**	$ 7,338
5743 Rent	14,776	-	**14,776**	-
5749 E-Rate Revenue	101,340	-	**101,340**	153,213
5751 Food Service Activity	159,329	-	**159,329**	301,082
5752 Athletic Activities	57,274	-	**57,274**	38,607
5769 Miscellaneous Revenue from Intermediate Sources	246,067	-	**246,067**	231,454
Total Local Support	810,121	-	**810,121**	731,694
State Program Revenues:				
5810 Foundation School Program Act Revenues	-	17,711,472	**17,711,472**	16,452,861
5820 State Program Revenues Distributed by Texas Education Agency	-	283,974	**283,974**	29,260
Total State Program Revenues	-	17,995,446	**17,995,446**	16,482,121
Federal Program Revenues:				
5920 Federal Revenues Distributed by Texas Education Agency	-	1,071,330	**1,071,330**	509,895
5930 Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	-	309,852	**309,852**	213,203
5940 Federal Revenues Distributed Directly from the Federal Government	-	-	**-**	1,843,300
Total Federal Program Revenues	-	1,381,182	**1,381,182**	2,566,398
Net Assets Released From Restrictions				
Restrictions Satisfied By Payments	19,197,251	(19,197,251)	**-**	-
TOTAL OPERATING REVENUES AND OTHER SUPPORT	20,007,372	179,377	**20,186,749**	19,780,213
OPERATING EXPENSES				
11 Instruction	8,383,540	-	**8,383,540**	7,859,035
12 Instructional Resources and Media Services	33,304	-	**33,304**	32,877
13 Curriculum Development and Instructional Staff Development	198,439	-	**198,439**	194,715
21 Instructional Leadership	190,509	-	**190,509**	172,081
23 School Leadership	922,218	-	**922,218**	887,616
31 Guidance, Counseling, and Evaluation Services	490,341	-	**490,341**	448,109
33 Health Services	93,233	-	**93,233**	97,658
34 Student Transportation	63,385	-	**63,385**	55,916
35 Food Services	182,725	-	**182,725**	236,419
36 Extracurricular Activities	505,061	-	**505,061**	415,424
41 General Administration	790,507	-	**790,507**	732,889
51 Plant Maintenance and Operations	2,703,645	-	**2,703,645**	1,604,920
52 Security and Monitoring Services	546	-	**546**	150
53 Data Processing Services	564,907	-	**564,907**	589,673
71 Debt Service	2,061,515	-	**2,061,515**	2,586,947
81 Fundraising	203,912	-	**203,912**	183,796
TOTAL OPERATING EXPENSES	17,387,787	-	**17,387,787**	16,098,225
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	2,619,585	179,377	**2,798,962**	3,681,988
NON-OPERATING ACTIVITY				
Intercompany Bond & Related Account Transfer	(2,131,502)	-	**(2,131,502)**	-
Unrealized Loss on Escrow (5740)	(176,705)	-	**(176,705)**	-
TOTAL NON-OPERATING ACTIVITY	(2,308,207)	-	**(2,308,207)**	-
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	311,378	179,377	**490,755**	3,681,988
NET ASSETS, Beginning of Year	3,661,576	7,985,688	**11,647,264**	7,965,276
NET ASSETS, End of Year	$ 3,972,954	$ 8,165,065	**$ 12,138,019**	$ 11,647,264

See independent auditor's report.

ORENDA EDUCATION (CHARTER HOLDER)
STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	**$ 2,846,611**	$ (93,452)
Adjustments to Reconcile Net Change to Net Cash		
Provided by Operations:		
Depreciation and Amortization	**134,313**	1,301,298
Unrealized Gain on Investments	**(193,316)**	(81,553)
Intercompany Bond & Related Account Transfer	**(2,131,502)**	-
(Decrease) Increase in Liabilities:		
Accounts Payable	**(416,222)**	(230,171)
Other Liabilities	**-**	500
Accrued Expenses	**90**	90
Due to Orenda Education Charter School	**253,785**	18,588
NET CASH PROVIDED BY OPERATING ACTIVITIES	**493,759**	915,300
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	**-**	(180,844)
Release of Escrow Funds	**-**	32,894
Sale of Investments	**-**	200,049
Purchases of Investments	**(15,809)**	(46,489)
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	**(15,809)**	5,610
CASH FLOWS FROM FINANCING ACTIVITIES		
Transfer of Bond and Related Accounts to Orenda Charter School	**(4,921,970)**	-
Payments into Sinking Fund	**-**	(210,121)
Payments on Bonds Payable	**-**	(790,000)
NET CASH USED BY FINANCING ACTIVITIES	**(4,921,970)**	(1,000,121)
NET DECREASE IN CASH FLOWS	**(4,444,020)**	(79,211)
CASH AND CASH EQUIVALENTS, Beginning of Year	**3,937,568**	3,845,323
RESTRICTED CASH, Beginning of Year	**4,295,916**	4,467,372
LESS RESTRICTED CASH, End of Year	**-**	(4,295,916)
CASH AND CASH EQUIVALENTS, End of Year	**$ 3,789,464**	$ 3,937,568
Supplemental Disclosures		
Bond Interest	**$ -**	$ 2,058,202
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, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Foundation School Program Payments	**$ 17,470,562**	$ 16,405,749
Grant Payments	**1,244,444**	2,570,463
Miscellaneous Sources	**89,834**	724,351
Payments to Vendors for Goods and Services Rendered	**(3,397,356)**	(3,521,897)
Payments to Charter School Personnel for Services Rendered	**(10,136,043)**	(9,742,171)
Interest Payments	**(1,905,444)**	(2,586,947)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**3,365,997**	3,849,548
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	**(931,875)**	(255,476)
Sale of Investments	**547,721**	-
Purchase of Investments	**(231,335)**	(7,338)
NET CASH USED BY INVESTING ACTIVITIES	**(615,489)**	(262,814)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments into Sinking Fund	**(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	**(615,000)**	-
Payments on Long-Term Debt	**(2,713)**	(16,037)
NET CASH USED BY FINANCING ACTIVITIES	**(128,081)**	(16,037)
NET INCREASE IN CASH FLOWS	**2,622,427**	3,570,697
CASH AND CASH EQUIVALENTS, Beginning of Year	**9,477,973**	5,907,276
CASH AND CASH EQUIVALENTS, End of Year	**$ 12,100,400**	$ 9,477,973
Reconciliation of Change in Net Assets to Net Cash Provided by Operations:		
Change in Net Assets	**$ 490,755**	$ 3,681,988
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operations:		
Depreciation and Amortization	**1,409,986**	201,986
Intercompany Bond & Related Account Transfer	**2,131,502**	-
(Increase) Decrease in Assets:		
Accounts Receivable	**(19,527)**	11,485
Due from Texas Education Agency	**(660,046)**	(62,336)
Due from Orenda Education (Charter Holder)	**(253,785)**	(18,588)
Other Receivables	**51,873**	(153,213)
Prepaid Expenses	**(102,040)**	(34,203)
Increase (Decrease) in Liabilities:		
Accounts Payable	**383,050**	(53,589)
Accrued Expenses	**63,585**	48,364
Due to Texas Education Agency	**(204,683)**	208,534
Deferred Revenue	**41,432**	7,343
Other Liabilities	**33,895**	11,777
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ 3,365,997**	$ 3,849,548
Supplemental Disclosures		
Bus Loan Interest	**$ 7**	$ 348
Bond Interest	**$ 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, 2021 and 2020

		2021	2020
Orenda Education (Consolidated)			
Expenses			
6100	Payroll Costs	**$ 10,250,185**	$ 9,841,090
6200	Professional and Contracted Services	**2,331,703**	2,135,993
6300	Supplies and Materials	**1,167,434**	1,007,290
6400	Other Operating Costs	**1,764,198**	1,627,310
6500	Debt	**2,061,515**	2,316,912
	Total Expenses	**$ 17,575,035**	$ 16,928,595
Orenda Education (Charter Holder)			
Expenses			
6100	Payroll Costs	**$ 50,557**	$ 50,555
6200	Professional and Contracted Services	**4,742**	19,202
6400	Other Operating Costs	**188,739**	1,115,648
6500	Debt	**-**	2,316,564
	Total Expenses (net of eliminating entries)	**$ 244,038**	$ 3,501,969
Orenda Education (Charter School)			
Expenses			
6100	Payroll Costs	**$ 10,199,628**	$ 9,790,535
6200	Professional and Contracted Services	**2,326,961**	2,116,791
6300	Supplies and Materials	**1,167,434**	1,007,290
6400	Other Operating Costs	**1,575,459**	511,662
6500	Debt	**2,061,515**	348
	Total Expenses (net of eliminating entries)	**$ 17,330,997**	$ 13,426,626

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF CAPITAL ASSETS
August 31, 2021

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	$ 3,789,464	$ 12,100,400	$ -
1510 Land and Improvements	1,128,728	-	-
1520 Buildings and Improvements	1,599,634	41,817,881	-
1531 Vehicles	-	334,753	-
1539 Furniture and Equipment	50,085	1,516,189	-
Total Capital Assets	$ 6,567,911	$ 55,769,223	$ -

	Ownership Interest		
Orenda Education (Charter Holder)	**Local**	**State**	**Federal**
1110 Cash	$ 3,789,464	$ -	$ -
1510 Land and Improvements	1,128,728	-	-
1520 Buildings and Improvements	1,599,634	-	-
1539 Furniture and Equipment	50,085	-	-
Total Capital Assets	$ 6,567,911	$ -	$ -

	Ownership Interest		
Orenda Charter School	**Local**	**State**	**Federal**
1110 Cash	$ -	$ 12,100,400	$ -
1520 Buildings and Improvements	-	41,817,881	-
1531 Vehicles	-	334,753	-
1539 Furniture and Equipment	-	1,516,189	-
Total Capital Assets	$ -	$ 55,769,223	$ -

See independent auditor's report.

ORENDA CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2021

	Budgeted Amounts		Actual	Variance From Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
OPERATING REVENUES AND OTHER SUPPORT				
Local Support:				
5740 Other Revenues from Local Sources	$ 27,500	$ 127,500	$ 347,451	$ 219,951
5750 Revenue from Cocurricular/Enterprising	436,000	174,000	216,603	42,603
5760 Revenues from Intermediate Sources	209,000	209,000	246,067	37,067
Total Local Support	672,500	510,500	810,121	299,621
State Program Revenues:				
5810 Foundation School Program Act Revenues	16,384,231	16,984,231	17,711,472	727,241
5820 State Program Revenues Distributed by Texas Education Agency	150,000	150,000	283,974	133,974
Total State Program Revenues	16,534,231	17,134,231	17,995,446	861,215
Federal Program Revenues:				
5920 Federal Revenues Distributed by Texas Education Agency	1,769,321	1,062,318	1,071,330	9,012
5930 Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	80,000	147,000	309,852	162,852
Total Federal Program Revenues	1,849,321	1,209,318	1,381,182	171,864
TOTAL OPERATING REVENUES AND OTHER SUPPORT	19,056,052	18,854,049	20,186,749	1,332,700
OPERATING EXPENSES				
11 Instruction	8,442,714	8,459,714	8,383,540	76,174
12 Instructional Resources and Media Services	35,799	35,799	33,304	2,495
13 Curriculum Development and Instructional Staff Development	198,897	206,897	198,439	8,458
21 Instructional Leadership	219,888	220,528	190,509	30,019
23 School Leadership	977,426	977,426	922,218	55,208
31 Guidance, Counseling, and Evaluation Services	551,941	573,441	490,341	83,100
33 Health Services	99,700	99,700	93,233	6,467
34 Student Transportation	73,000	83,000	63,385	19,615
35 Food Services	308,827	314,827	182,725	132,102
36 Extracurricular Activities	554,570	554,570	505,061	49,509
41 General Administration	888,633	866,933	790,507	76,426
51 Plant Maintenance and Operations	1,704,683	2,596,683	2,703,645	(106,962)
52 Security and Monitoring Services	500	500	546	(46)
53 Data Processing Services	569,165	635,725	564,907	70,818
71 Debt Service	2,595,397	2,595,397	2,061,515	533,882
81 Fundraising	268,000	268,000	203,912	64,088
TOTAL OPERATING EXPENSES	17,489,140	18,489,140	17,387,787	1,101,353
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	1,566,912	364,909	2,798,962	2,434,053
NON-OPERATING ACTIVITY				
Intercompany Bond & Related Account Transfer	(2,131,502)	(2,131,502)	(2,131,502)	-
Unrealized Loss on Escrow (5740)	(176,705)	(176,705)	(176,705)	-
TOTAL NON-OPERATING ACTIVITY	(2,308,207)	(2,308,207)	(2,308,207)	-
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	(741,295)	(1,943,298)	490,755	2,434,053
NET ASSETS, Beginning of Year	11,647,264	11,647,264	11,647,264	-
NET ASSETS, End of Year	$ 10,905,969	$ 9,703,966	$ 12,138,019	$ 2,434,053

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, 2021

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.	$	435,216
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)	$	239,945

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.	$	17,916
AP8	List the actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25, 35)	$	9,938

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS
For the Year Ended August 31, 2021

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	$ 30,483
Justin Hanke	Jacqueline Hanke	Spouse	Compensation	Monthly	Salary	State	$ 59,601

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year Ended August 31, 2021

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, 2021

Description	Property Address	Total Assessed Value	Ownership Interest Local	Ownership Interest State	Ownership Interest Federal
510517 - Bell Gin Park (Blk D LT 1), Acres 15	3360 Westinghouse, Georgetown, Tx	$ 5,549,550	$ 2,275,315	$ 3,274,235	$ -
AW0427 AW0427 - Mott, J. Sur., Acres 14.125	3360 Westinghouse, Georgetown, Tx	429,297	429,297	-	-
A Flores Abst #214 1.100 Ac (Kingsland Plaza)	2112 W RR 1431, Kingsland, Tx	755,270	-	755,270	-
Total Real Property Ownership Interest		$ 6,734,117	$ 2,704,612	$ 4,029,505	$ -

See independent auditor's report.

CONSOLIDATING FINANCIAL STATEMENTS

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
August 31, 2021
(with comparative totals for 2020)

	2021				
	Orenda Education (Charter Holder)	Orenda Education Charter School	Eliminating Entries	Total	2020 Total
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	$ 3,789,464	$ 12,100,400	$ -	**$ 15,889,864**	$ 13,415,541
Short-Term Investments	-	-	-	**-**	316,387
Accounts Receivable	-	48,402	-	**48,402**	28,875
Due from Texas Education Agency	-	2,007,444	-	**2,007,444**	1,347,398
Due from Orenda Education (Charter Holder)	-	286,849	(286,849)	**-**	-
Other Receivables	-	101,340	-	**101,340**	153,213
Prepaid Expenses	-	281,601	-	**281,601**	179,561
Total Current Assets	3,789,464	14,826,036	(286,849)	**18,328,651**	15,440,975
LONG-TERM ASSETS					
Restricted Cash	-	-	-	**-**	4,295,916
Long-Term Investments	1,310,771	-	-	**1,310,771**	1,101,646
Sinking Fund for Bonds Payable	-	1,945,045	-	**1,945,045**	1,567,707
Property and Equipment, net	2,553,076	37,394,995	-	**39,948,071**	40,404,424
Total Long-Term Assets	3,863,847	39,340,040	-	**43,203,887**	47,369,693
TOTAL ASSETS	$ 7,653,311	$ 54,166,076	$ (286,849)	**$ 61,532,538**	$ 62,810,668
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable	$ 3,190	$ 462,384	$ -	**$ 465,574**	$ 498,746
Accrued Expenses	11,610	945,189	-	**956,799**	893,124
Due to Texas Education Agency	-	22,460	-	**22,460**	227,143
Due to Orenda Education (Charter School)	286,849	-	(286,849)	**-**	-
Deferred Revenue	-	93,869	-	**93,869**	52,437
Other Liabilities	500	101,058	-	**101,558**	67,663
Loan Payable - current	-	-	-	**-**	2,713
Bonds Payable - current	-	635,000	-	**635,000**	615,000
Total Current Liabilities	302,149	2,259,960	(286,849)	**2,275,260**	2,356,826
LONG-TERM LIABILITIES					
Bonds Payable - long-term, net	-	39,768,097	-	**39,768,097**	44,302,027
Total Long-Term Liabilities	-	39,768,097	-	**39,768,097**	44,302,027
TOTAL LIABILITIES	302,149	42,028,057	(286,849)	**42,043,357**	46,658,853
NET ASSETS					
Without Donor Restrictions	7,350,312	3,972,954	-	**11,323,266**	8,166,027
With Donor Restrictions	850	8,165,065	-	**8,165,915**	7,985,788
TOTAL NET ASSETS	7,351,162	12,138,019	-	**19,489,181**	16,151,815
TOTAL LIABILITIES AND NET ASSETS	$ 7,653,311	$ 54,166,076	$ (286,849)	**$ 61,532,538**	$ 62,810,668

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2021
(with comparative totals for 2020)

	2021				
	Orenda Education (Charter Holder)	**Orenda Education Charter School**	**Eliminating Entries**	**Total**	2020 Total
OPERATING REVENUES AND OTHER SUPPORT					
Local Support:					
Contributions	$ 561,857	$ -	$ -	**$ 561,857**	$ 436,685
Miscellaneous Revenue from Intermediate Sources	134,097	246,067	-	**380,164**	247,178
Food Service Activity	-	159,329	-	**159,329**	301,082
E-Rate Revenue	-	101,340	-	**101,340**	153,213
Athletic Activities	-	57,274	-	**57,274**	38,607
Rent	-	14,776	-	**14,776**	-
Earnings from Temporary Deposits and Investments	-	231,335	-	**231,335**	7,338
Interest Income	-	-	-	**-**	263,976
Professional Services	56,790	-	(56,790)	**-**	-
Total Local Support	752,744	810,121	(56,790)	**1,506,075**	1,448,079
State Program Revenues:					
Foundation School Program Act Revenues	-	17,711,472	-	**17,711,472**	16,452,861
State Program Revenues Distributed by Texas Education Agency	-	283,974	-	**283,974**	29,260
Total State Program Revenues	-	17,995,446	-	**17,995,446**	16,482,121
Federal Program Revenues:					
Federal Revenues Distributed by Texas Education Agency	-	1,071,330	-	**1,071,330**	509,895
Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	-	309,852	-	**309,852**	213,203
Federal Revenues Distributed Directly from the Federal Government	-	-	-	**-**	1,843,300
Total Federal Program Revenues	-	1,381,182	-	**1,381,182**	2,566,398
TOTAL OPERATING REVENUES AND OTHER SUPPORT	752,744	20,186,749	(56,790)	**20,882,703**	20,496,598
OPERATING EXPENSES	244,038	17,387,787	(56,790)	**17,575,035**	16,928,595
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	508,706	2,798,962	-	**3,307,668**	3,568,003
NON-OPERATING ACTIVITY					
Intercompany Bond & Related Account Transfer	2,131,502	(2,131,502)		**-**	-
Investment Income	206,403	-	-	**206,403**	128,042
Unrealized Loss on Escrow (5740)	-	(176,705)	-	**(176,705)**	(107,509)
TOTAL NON-OPERATING ACTIVITY	2,337,905	(2,308,207)	-	**29,698**	20,533
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	2,846,611	490,755	-	**3,337,366**	3,588,536
NET ASSETS, Beginning of Year	4,504,551	11,647,264	-	**16,151,815**	12,563,279
NET ASSETS, End of Year	$ 7,351,162	$ 12,138,019	$ -	**$ 19,489,181**	$ 16,151,815

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended August 31, 2021
(with comparative totals for 2020)

	2021				
	Orenda Education (Charter Holder)	**Orenda Education Charter School**	**Eliminating Entries**	**Total**	2020 Total
OPERATING EXPENSES					
Salaries	$ 46,860	$ 9,072,758	$ -	**$ 9,119,618**	$ 8,671,870
Payroll Taxes and Benefits	3,697	1,183,660	-	**1,187,357**	1,254,220
Total Payroll Expenses	50,557	10,256,418		**10,306,975**	9,926,090
Interest	-	1,905,444	-	**1,905,444**	2,058,550
Depreciation	134,313	1,253,915	-	**1,388,228**	1,244,922
General Supplies	-	911,323	-	**911,323**	780,949
Contract Labor	-	669,780	(56,790)	**612,990**	440,833
Maintenance and Repair	-	545,945	-	**545,945**	472,731
Utilities	-	540,083	-	**540,083**	524,187
Rental Expense	-	495,264	-	**495,264**	489,714
Instructional Materials	-	172,342	-	**172,342**	79,924
Amortization of Bond Issue Costs	-	156,071	-	**156,071**	258,362
Miscellaneous	54,426	101,516	-	**155,942**	137,615
Insurance and Bonding	-	144,980	-	**144,980**	134,014
Food	-	73,529	-	**73,529**	135,290
Travel	-	46,409	-	**46,409**	82,608
Educational Service Center	-	42,664	-	**42,664**	64,384
Professional Fees	4,742	33,225	-	**37,967**	59,144
Dues and Subscriptions	-	28,639	-	**28,639**	28,151
Gas and Fuel	-	10,240	-	**10,240**	11,127
TOTAL OPERATING EXPENSES	$ 244,038	$ 17,387,787	$ (56,790)	**$ 17,575,035**	$ 16,928,595

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, 2021

Grantor/Program Title	Federal CFDA 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	21610101014804	$ 191,758
Special Education Grants to States	84.027A	216600010148046000	230,775
Supporting Effective Instruction State Grants	84.367A	21694501014804	18,400
Student Support and Academic Enrichment Program	84.424A	20680101014804	13,952
COVID-19 Education Stabilization Fund	84.425D	20521001014804	183,664
COVID-19 Education Stabilization Fund	84.425D	21521001014804	32,679
COVID-19 Education Stabilization Fund	84.425U	21528001014804	400,101
Total Pass-Through Texas Education Agency			1,071,329
Total U.S. Department of Education			1,071,329
TOTAL EXPENDITURES OF FEDERAL AWARDS			1,071,329
Texas Education Agency:			
Textbook and Kindergarten Materials	N/A	25002101	255,469
State Maintenance of Financial Support Individuals with Disabilities Act	N/A	3602103	23,385
School Safety and Security Grant	N/A	19055301014804	26,255
Total Texas Education Agency			305,109
TOTAL EXPENDITURES OF STATE AWARDS			305,109
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			$ 1,376,438

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, 2021

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 (the Charter Holder) dba Orenda Charter Schools 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 Charter Holder, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Charter Holder.

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

The Charter Holder did not disburse any federal or state awards to subrecipients for the year ended August 31, 2021.

RWC | Randy Walker & Company
Certified Public Accountants

7800 IH 10 West, Suite 505 | San Antonio, TX 78230
T: 210.366.9430 | F: 210.366.9451 | randywalkercpa.com

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 (the Charter Holder) dba Orenda Charter Schools, a nonprofit organization, which comprise the consolidated statement of financial position as of August 31, 2021, 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 17, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Charter Holder'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 Charter Holder's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter Holder'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter Holder'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 Charter Holder's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Randy Walker & Co.

San Antonio, Texas
January 17, 2022

RWC | Randy Walker & Company
Certified Public Accountants

7800 IH 10 West, Suite 505 | San Antonio, TX 78230
T: 210.366.9430 | F: 210.366.9451 | randywalkercpa.com

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

We have audited Orenda Education (the Charter Holder's) dba Orenda Charter Schools' (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Charter Holder's major federal programs for the year ended August 31, 2021. The Charter Holder's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Charter Holder's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Charter Holder's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Charter Holder's compliance.

Opinion on Each Major Federal Program

In our opinion, the Charter Holder complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2021.

Report on Internal Control Over Compliance

Management of the Charter Holder is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the Charter Holder's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Charter Holder's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies. However, material weaknesses and significant deficiencies may exist that have not been identified.

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 17, 2022

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2021

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, 2021

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