ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS

CONSOLIDATED FINANCIAL STATEMENTS WITH COMPLIANCE REPORTING

August 31, 2024 and 2023

Randy Walker & Co., Certified Public Accountants

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATED FINANCIAL STATEMENTS
WITH COMPLIANCE REPORTING
August 31, 2024 and 2023

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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, 2024, at a meeting of the Board of Directors of such charter holder on the 20th day of January, 2025.

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, 2024, 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, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The specific-purpose financial statements on pages 23-36 and the consolidating financial statements on pages 37-39 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 20, 2025 on pages 40-41 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 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 15, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Randy Walker & Co.

San Antonio, Texas
January 20, 2025

GENERAL-PURPOSE FINANCIAL STATEMENTS

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
August 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**$ 12,778,508**	$ 20,959,292
Accounts Receivable	**234,381**	158,407
Due from Texas Education Agency	**2,079,682**	1,996,005
Other Receivables	**99,988**	101,340
Prepaid Expenses	**185,067**	197,727
Total Current Assets	**15,377,626**	23,412,771
LONG-TERM ASSETS		
Investments	**1,436,205**	1,231,657
Sinking Fund for Bonds Payable	**3,329,323**	2,799,470
Operating Lease Right-of-Use Assets	**1,106,329**	141,806
Finance Lease Right-of-Use Assets, net	**25,829**	35,952
Property and Equipment, net	**62,208,968**	52,686,461
Total Long-Term Assets	**68,106,654**	56,895,346
TOTAL ASSETS	**$ 83,484,280**	$ 80,308,117
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	**$ 2,337,625**	$ 805,096
Accrued Expenses	**1,204,923**	1,146,766
Deferred Revenue	**186,737**	163,198
Operating Lease Payables - current	**257,520**	145,497
Finance Lease Payables - current	**20,835**	17,556
Bonds Payable - current	**910,000**	865,000
Other Liabilities	**149,026**	129,478
Total Current Liabilities	**5,066,666**	3,272,591
LONG-TERM LIABILITIES		
Operating Lease Payables - long-term	**848,809**	-
Finance Lease Payables - long-term	**6,233**	19,895
Bonds Payable - long-term, net	**50,990,725**	51,675,382
Total Long-Term Liabilities	**51,845,767**	51,695,277
TOTAL LIABILITIES	**56,912,433**	54,967,868
NET ASSETS		
Without Donor Restrictions	**25,770,443**	23,550,588
With Donor Restrictions	**801,404**	1,789,661
TOTAL NET ASSETS	**26,571,847**	25,340,249
TOTAL LIABILITIES AND NET ASSETS	**$ 83,484,280**	$ 80,308,117

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, 2024
(summarized for 2023)

	2024			
	Without Donor Restrictions	With Donor Restrictions	Total	2023 Total
OPERATING REVENUES AND OTHER SUPPORT				
Local Support:				
Earnings from Temporary Deposits and Investments	$ 624,582	$ -	**$ 624,582**	$ 241,845
Food Service Activity	542,283	-	**542,283**	503,821
Contributions	537,534	-	**537,534**	583,021
Miscellaneous Revenue from Intermediate Sources	405,927	-	**405,927**	393,987
E-Rate Revenue	99,988	-	**99,988**	101,340
Athletic Activities	38,784	-	**38,784**	67,926
Rent	17,933	-	**17,933**	-
Interest Income	670	-	**670**	-
Total Local Support	2,267,701	-	**2,267,701**	1,891,940
State Program Revenues:				
Per Capita and Foundation School Program Revenues	-	18,208,932	**18,208,932**	17,926,263
State Program Revenues Distributed by Texas Education Agency	-	417,131	**417,131**	83,158
State Revenues from State of Texas Government Agencies	-	570,453	**570,453**	-
Total State Program Revenues	-	19,196,516	**19,196,516**	18,009,421
Federal Program Revenues:				
Federal Revenues Distributed Through Agencies Other than TEA	-	4,350	**4,350**	-
Federal Revenues Distributed by Texas Education Agency	-	725,089	**725,089**	1,435,940
Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	-	9,967	**9,967**	166,623
Total Federal Program Revenues	-	739,406	**739,406**	1,602,563
Net Assets Released From Restrictions:				
Restrictions Satisfied By Payments	20,924,179	(20,924,179)	**-**	-
TOTAL OPERATING REVENUES AND OTHER SUPPORT	23,191,880	(988,257)	**22,203,623**	21,503,924
OPERATING EXPENSES				
Program	17,919,347	-	**17,919,347**	16,257,677
General and Administrative	3,032,984	-	**3,032,984**	2,867,163
Fundraising	220,538	-	**220,538**	281,247
TOTAL OPERATING EXPENSES	21,172,869	-	**21,172,869**	19,406,087
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	2,019,011	(988,257)	**1,030,754**	2,097,837
NON-OPERATING ACTIVITY				
Investment Income	204,547	-	**204,547**	94,538
Loss on Sale of Real and Personal Property	(3,703)	-	**(3,703)**	-
TOTAL NON-OPERATING ACTIVITY	200,844	-	**200,844**	94,538
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	2,219,855	(988,257)	**1,231,598**	2,192,375
NET ASSETS, Beginning of Year	23,550,588	1,789,661	**25,340,249**	23,147,874
NET ASSETS, End of Year	$ 25,770,443	$ 801,404	**$ 26,571,847**	$ 25,340,249

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, 2024
(summarized for 2023)

	2024				
	Program	**General and Administrative**	**Fundraising**	**Total**	2023 Total
OPERATING EXPENSES					
Salaries	$ 8,531,565	$ 1,780,292	$ 160,446	**$ 10,472,303**	$ 10,842,070
Payroll Taxes and Benefits	1,843,855	356,440	27,455	**2,227,750**	1,454,090
Total Payroll Expenses	10,375,420	2,136,732	187,901	**12,700,053**	12,296,160
Interest	2,040,339	107,386	-	**2,147,725**	1,690,647
Depreciation	1,494,794	77,762	-	**1,572,556**	1,509,174
Maintenance and Repair	938,172	14,287	-	**952,459**	687,926
Contract Labor	555,943	98,109	-	**654,052**	448,233
General Supplies	575,701	37,077	5,175	**617,953**	590,103
Utilities	509,045	26,792	-	**535,837**	570,825
Miscellaneous	174,050	164,049	26,455	**364,554**	277,285
Instructional Materials	334,078	-	-	**334,078**	156,272
Food	277,182	-	-	**277,182**	230,095
Rental Expense	247,332	27,480	-	**274,812**	320,940
Insurance and Bonding	24,956	224,608	-	**249,564**	241,021
Bond Amortization	214,074	11,267	-	**225,341**	123,287
Travel	74,509	25,172	1,007	**100,688**	106,659
Educational Service Center	45,448	7,398	-	**52,846**	39,619
Professional Fees	-	46,198	-	**46,198**	47,226
Dues and Subscriptions	4,443	25,180	-	**29,623**	30,908
Gas and Fuel	19,913	-	-	**19,913**	22,439
Lease Amortization	13,948	3,487	-	**17,435**	17,268
TOTAL OPERATING EXPENSES	$ 17,919,347	$ 3,032,984	$ 220,538	**$ 21,172,869**	$ 19,406,087

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, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	**$ 1,231,598**	$ 2,192,375
Adjustments to Reconcile Net Excess to Net Cash		
Provided by Operations:		
Depreciation and Amortization	**1,815,332**	1,649,729
Unrealized Gain on Investments	**(175,267)**	(58,332)
Loss on Sale of Real and Personal Property	**3,703**	-
(Increase) Decrease in Assets:		
Accounts Receivable	**(75,974)**	(95,807)
Due from Texas Education Agency	**(83,677)**	1,253,510
Other Receivables	**1,352**	(101,340)
Prepaid Expenses	**12,660**	(66,962)
Operating Lease Right-of-Use Assets	**(964,523)**	(141,806)
Increase (Decrease) in Liabilities:		
Accounts Payable	**1,532,529**	(183,987)
Accrued Expenses	**58,157**	53,568
Deferred Revenue	**23,539**	28,588
Operating Lease Payables	**960,832**	145,497
Other Liabilities	**19,548**	10,734
NET CASH PROVIDED BY OPERATING ACTIVITIES	**4,359,809**	4,685,767
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	**(11,099,469)**	(6,589,633)
Proceeds from Sale of Property	**20,000**	
Purchases of Investments	**(29,281)**	(36,206)
NET CASH USED BY INVESTING ACTIVITIES	**(11,108,750)**	(6,625,839)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments into Sinking Fund	**(529,853)**	(472,551)
Payments on Finance Lease Obligations	**(17,695)**	(16,813)
Proceeds from Issuance of Bonds	**-**	14,100,000
Payment of Bond Issue Costs	**(19,295)**	(879,227)
Payments on Bonds Payable	**(865,000)**	(660,000)
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	**(1,431,843)**	12,071,409
NET (DECREASE) INCREASE IN CASH FLOWS	**(8,180,784)**	10,131,337
CASH AND CASH EQUIVALENTS, Beginning of Year	**20,959,292**	10,827,955
CASH AND CASH EQUIVALENTS, End of Year	**$ 12,778,508**	$ 20,959,292
Supplemental Disclosures:		
Interest Paid	**$ 2,147,725**	$ 1,690,647
Right-of-Use Asset Obtained Through Finance Lease	**$ 7,312**	$ 69,050

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

Note 1 - Nature of Business and Significant Accounting Policies

Reporting Entity and Corporate Operations

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

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

As of August 31, 2024, the School operates four 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, 2024 and 2023, 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 received are recorded as support with donor restrictions or support without donor restrictions, depending on the existence and/or nature of the restriction. When a restriction expires (when a stipulated time restriction ends or purpose restriction is fulfilled), 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, 2024, the tax years that remain subject to examination by taxing authorities begin with 2021.

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 recorded at fair value based on quoted market prices. There were no investment fees for the years ended August 31, 2024 and 2023. All dividends, interest, and unrealized/realized gains are reported as investment 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 June 2016, the FASB issued Accounting Standards Codification (ASC) 326, *Financial Instruments – Credit Losses*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this pronouncement is a shift from the incurred loss model to the expected loss model. Under this pronouncement, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Management has evaluated the new pronouncement and determined it would not have a material impact to the financial statements as of September 1, 2023 or August 31, 2024. Therefore, it was not adopted for fiscal year 2024.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases.* This pronouncement provides new guidance regarding lease accounting for reporting periods beginning after December 15, 2021, whereby a lessee will be required to recognize on the statement of financial position the assets and liabilities for leases with lease terms of more than twelve months. The Organization adopted this pronouncement using the effective date method on September 1, 2022.

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

Leases

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

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

Revenue - Exchange Transactions

The Organization recognizes revenue related to exchange transactions in accordance with ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The Organization receives revenue through various exchange transactions, including fundraisers and after-school activities (classified as miscellaneous revenue from intermediate sources in the consolidated statement of activities), food sales, and athletic activities. The revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for holding the event, selling the food items, or conducting the activity. Revenue is recognized as performance obligations are satisfied, which is at point of sale or a point in time when the event or activity occurs. There were no contract assets related to these exchange transactions at August 31, 2024, August 31, 2023, or September 1, 2022. For the years ended August 31, 2024 and 2023, substantially all fundraising event revenue consisted of contributions (non-exchange), which are recognized as revenue when received. Disaggregation of revenue is presented on the face of the consolidated statement of activities.

Contract Balances

Contract liabilities represent the Organization's obligation to transfer goods or services to a customer when consideration has already been received from the customer. Contract liability balances for exchange transactions related to deferred revenue were as follows for the years ended August 31:

	2024	2023
Beginning of Year	**$ 163,198**	$ 134,610
End of Year	**$ 186,737**	$ 163,198

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

Contract Balances (continued)

Accounts receivable includes student extracurricular fee billings due for the prior school year. These balances were as follows for the years ended August 31:

	2024	2023
Beginning of Year	**$ 87,671**	$ 52,454
End of Year	**$ 99,806**	$ 87,671

Note 2 - Due from/to State and Federal Government

At August 31, 2024 and 2023, the School had $2,079,682 and $1,996,005, respectively, in receivables due from Texas Education Agency (TEA) related to various state grants and Foundation School Program (FSP) revenue. All amounts receivable are deemed by management to be fully collectible; therefore, no allowance for uncollectible accounts is considered necessary.

Note 3 - Commitments and Contingencies

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

Note 4 - Concentration of Credit Risk

The Organization maintains several cash and investment accounts at various financial institutions and investment companies. Cash account balances are insured by the Federal Deposit Insurance Corporation up to $250,000 per bank. The Organization also has an agreement with its bank institutions where the banks provide pledged collateral in the Organization's name in the event deposits exceed FDIC limits. Therefore, the Organization has no uninsured cash balances. Investment account balances are insured by the Securities Investor Protection Corporation up to $500,000. At August 31, 2024 and 2023, uninsured investment account balances totaled $936,205 and $731,657, respectively.

Note 5 - Subsequent Events

The Organization has evaluated subsequent events through January 20, 2025, which is the date the financial statements were available to be issued.

Note 6 - Health and Life Insurance Coverage

During the years ended August 31, 2024 and 2023, employees of the School were covered by a health insurance plan and life insurance plan. The School contributed up to $425 per employee per month based on the employee-selected plan during the years ended August 31, 2024 and 2023. 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 $911,603 and $690,925 for the years ended August 31, 2024 and 2023, respectively.

Note 7 - 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 8 - 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 9 - Property and Equipment

Property and equipment consisted of the following at August 31:

	Orenda Education (Charter Holder)	
	2024	2023
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	**(369,506)**	(321,589)
Total	**$ 2,408,941**	$ 2,456,858

Note 9 - Property and Equipment (continued)

As of August 31, 2024 and 2023, land and improvements of $1,128,728 was 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	
	2024	2023
Buildings and Improvements	**$ 59,572,696**	$ 44,583,809
Land	**6,254,595**	6,254,595
Construction in Progress	**2,105,257**	6,301,468
Vehicles	**607,237**	607,237
Furniture and Equipment	**1,839,458**	1,556,368
	70,379,243	59,303,477
Less Accumulated Depreciation	**(10,579,216)**	(9,073,874)
Total	**$ 59,800,027**	$ 50,229,603

Depreciation expense for the years ended August 31, 2024 and 2023 was $1,524,639 and $1,509,174, respectively. Fixed asset additions are included in net assets released from restrictions on the consolidated statement of activities.

Note 10 - Net Assets with Donor Restrictions

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

	2024	2023
TTR Miscellaneous	**$ 2,000**	$ 2,000
TX Educator Excellence Grant	**3,500**	3,500
Gateway CPS Legacy	**600**	600
Foundation School Program	**795,304**	1,783,561
Total	**$ 801,404**	$ 1,789,661

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

Note 11 - Right-of-Use Finance Leases

The Organization leases copier machines under multiple finance lease agreements with various expiration dates and monthly payment amounts. The right-of-use leased equipment was carried at cost of $76,362 and $69,050 less accumulated amortization of $50,533 and $33,098 at August 31, 2024 and 2023, respectively. The balance of the lease payables was $27,068 and $37,451 at August 31, 2024 and 2023, respectively. Interest expense related to these leases was $1,304 and $2,019 for the years ended August 31, 2024 and 2023, respectively.

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

Years Ending August 31,		
2025	$	20,835
2026		3,573
2027		2,004
2028		1,837
		28,249
Less: Interest (4.33 - 4.59%)		(1,181)
Total	$	27,068

Note 12 - Right-of-Use Operating Leases

The Organization leases office space under multiple rental agreements with various expiration dates and monthly payment amounts. These leases are treated as right-of-use operating leases as ownership does not transfer at the end of the lease term. The balance of the right-of-use leased assets was $1,106,329 and $141,806 at August 31, 2024 and 2023, respectively. The balance of the right-of-use lease payables was $1,106,329 and $145,497 at August 31, 2024 and 2023, respectively. Rent expense related to these agreements was $264,731 and $225,216 for the years ended August 31, 2024 and 2023, respectively.

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

Years Ending August 31,		
2025	$	257,520
2026		263,619
2027		263,619
2028		263,619
2029		173,260
		1,221,637
Less: Interest (4.2 - 4.24%)		(115,308)
Total	$	1,106,329

Note 13 - Bonds Payable

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

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

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

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

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:

	2024	2023
Series 2011Q	**$ 5,250,000**	$ 5,250,000
Series 2015A	**14,195,000**	14,355,000
Series 2017	**20,345,000**	20,880,000
Series 2023	**13,930,000**	14,100,000
	53,720,000	54,585,000
Less Current Maturities	**(910,000)**	(865,000)
Less Bond Issuance Costs, net	**(1,819,275)**	(2,044,618)
Total	**$ 50,990,725**	$ 51,675,382

Note 13 - Bonds Payable (continued)

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

Year Ending August 31,	
2025	$ 910,000
2026	945,000
2027	990,000
2028	1,030,000
2029	1,065,000
Thereafter	48,780,000
Total	$ 53,720,000

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, 2024 and 2023 was $3,329,323 and $2,799,470, 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, 2024 and 2023.

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, 2024 and 2023, the Organization received the subsidy benefit of $266,760 and $266,629, respectively, which was paid directly to the bond trustee on behalf of the Organization. Bond interest expense, net of this subsidy benefit, was $2,147,697 and $1,688,628 for the years ended August 31, 2024 and 2023, respectively.

Note 14 - 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 $98,155 and $96,408 for the years ended August 31, 2024 and 2023, respectively. This transaction is eliminated in the consolidated financial statements. However, the amount is reflected as professional services revenue in the statement of activities included in the specific-purpose financial statements of the Charter Holder.

The Charter Holder received contributions for Gateway College Preparatory School in the amount of $537,534 and $583,021 from the School for the years ended August 31, 2024 and 2023, respectively. These contributions are eliminated in the consolidated financial statements.

As of August 31, 2024 and 2023, there was a payable from the School to the Charter Holder for $98,155 and $-0-, respectively. This payable was for intercompany activities such as shared expenses. The intercompany payable and corresponding intercompany receivable are eliminated in the consolidated financial statements.

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

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, 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.

Note 15 - Pension Plan Obligations (continued)

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

Total Plan Assets - $213,472,526,000
Accumulated Benefit Obligations - $255,860,866,500
The plan is 77.5% funded.

There are no collective-bargaining agreements.

Funding Policy

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

Under provisions in state law, plan members are required to contribute 8.25% of their annual covered salary and the State of Texas contributes an amount equal to 8.25% of the School's covered payroll.

The School employees' contributions to the TRS for the years ended August 31, 2024 and 2023 were $891,213 and $905,456, respectively, equal to the required contributions for each year.

Other contributions made from federal and private grants and from the School for salaries above the statutory minimum for the years ended August 31, 2024 and 2023 were $203,044 and $177,157, respectively, equal to the required contributions for each year.

The School's contributions to TRS were $529,754 and $535,573 for the years ended August 31, 2024 and 2023, respectively, which include Non-OASDI participating surcharges of $190,259 and $188,419, 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 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.

Note 16 - Fair Value of Financial Instruments (continued)

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, 2024, as well as by level within the fair value measurement hierarchy:

	Level 1	**Level 2**	**Level 3**	**Total**
Money Market Funds	**$ 136,068**	**$ -**	**$ -**	**$ 136,068**
Mutual Funds	**1,286,975**	**-**	**-**	**1,286,975**
Stocks	**13,162**	**-**	**-**	**13,162**
	$ 1,436,205	**$ -**	**$ -**	**$ 1,436,205**

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

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

Note 16 - Fair Value of Financial Instruments (continued)

Investment income consisted of the following at August 31:

	Orenda Education (Charter Holder)	
	2024	2023
Interest/Dividends	**$ 29,280**	$ 36,206
Unrealized Gain	**175,267**	58,332
Total	**$ 204,547**	$ 94,538

	Orenda Charter School	
	2024	2023
Unrealized Gain	**$ 624,583**	$ 241,845
Total	**$ 624,583**	$ 241,845

Note 17 - 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.

	2024	2023
Cash and Cash Equivalents	**$ 12,778,508**	$ 20,959,292
Investments	**1,436,205**	1,231,657
Accounts Receivable	**234,381**	158,407
Due from Texas Education Agency	**2,079,682**	1,996,005
Other Receivables	**99,988**	101,340
Total Financial Assets	**16,628,764**	24,446,701
Donor Restrictions (net of Foundation School Program)	**(6,100)**	(6,100)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	**$ 16,622,664**	$ 24,440,601

The Organization's primary sources of cash flow include Foundation School Program funds from TEA, which are classified as net assets with donor restrictions in 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, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**$ 3,438,149**	$ 3,544,365
Due from Orenda Education Charter School	**98,155**	-
Total Current Assets	**3,536,304**	3,544,365
LONG-TERM ASSETS		
Investments	**1,436,205**	1,231,657
Property and Equipment, net	**2,408,941**	2,456,858
Total Long-Term Assets	**3,845,146**	3,688,515
TOTAL ASSETS	**$ 7,381,450**	$ 7,232,880
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	**$ 1,167**	$ -
Accrued Expenses	**12,592**	12,205
Other Liabilities	**500**	500
Total Current Liabilities	**14,259**	12,705
TOTAL LIABILITIES	**14,259**	12,705
NET ASSETS		
Without Donor Restrictions	**7,366,591**	7,219,575
With Donor Restrictions	**600**	600
TOTAL NET ASSETS	**7,367,191**	7,220,175
TOTAL LIABILITIES AND NET ASSETS	**$ 7,381,450**	$ 7,232,880

See independent auditor's report.

ORENDA EDUCATION (CHARTER SCHOOL)
STATEMENTS OF FINANCIAL POSITION
August 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	**$ 9,340,359**	$ 17,414,927
Accounts Receivable	**234,381**	158,407
Due from Texas Education Agency	**2,079,682**	1,996,005
Other Receivables	**99,988**	101,340
Prepaid Expenses	**185,067**	197,727
Total Current Assets	**11,939,477**	19,868,406
LONG-TERM ASSETS		
Property and Equipment, net	**59,800,027**	50,229,603
Operating Lease Right-of-Use Assets	**1,106,329**	141,806
Finance Lease Right-of-Use Assets, net	**25,829**	35,952
Sinking Fund for Bonds Payable	**3,329,323**	2,799,470
Total Long-Term Assets	**64,261,508**	53,206,831
TOTAL ASSETS	**$ 76,200,985**	$ 73,075,237
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	**$ 2,336,458**	$ 805,096
Accrued Expenses	**1,192,331**	1,134,561
Deferred Revenue	**186,737**	163,198
Due from Orenda Education (Charter Holder)	**98,155**	-
Operating Lease Payables - current	**257,520**	145,497
Finance Lease Payables - current	**20,835**	17,556
Bonds Payable - current	**910,000**	865,000
Other Liabilities	**148,526**	128,978
Total Current Liabilities	**5,150,562**	3,259,886
LONG-TERM LIABILITIES		
Operating Lease Payables - long-term	**848,809**	-
Finance Lease Payables - long-term	**6,233**	19,895
Bonds Payable - long-term, net	**50,990,725**	51,675,382
Total Long-Term Liabilities	**51,845,767**	51,695,277
TOTAL LIABILITIES	**56,996,329**	54,955,163
NET ASSETS		
Without Donor Restrictions	**18,403,852**	16,331,013
With Donor Restrictions	**800,804**	1,789,061
TOTAL NET ASSETS	**19,204,656**	18,120,074
TOTAL LIABILITIES AND NET ASSETS	**$ 76,200,985**	$ 73,075,237

See independent auditor's report.

ORENDA EDUCATION (CHARTER HOLDER)
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2024
(summarized for 2023)

	2024			
	Without Donor Restrictions	With Donor Restrictions	Total	2023 Total
OPERATING REVENUES AND OTHER SUPPORT				
Contributions	$ 537,534	$ -	**$ 537,534**	$ 583,021
Miscellaneous Income	118,982	-	**118,982**	120,652
Professional Services	98,155	-	**98,155**	96,408
Interest Income	670	-	**670**	-
TOTAL OPERATING REVENUES AND OTHER SUPPORT	755,341	-	**755,341**	800,081
OPERATING EXPENSES				
Charitable Contributions	537,534	-	**537,534**	583,021
Miscellaneous Expense	168,751	-	**168,751**	142,800
Salaries and Benefits	54,471	-	**54,471**	53,160
Depreciation and Amortization	47,917	-	**47,917**	48,109
Professional Fees	4,199	-	**4,199**	3,500
TOTAL OPERATING EXPENSES	812,872	-	**812,872**	830,590
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	(57,531)	-	**(57,531)**	(30,509)
NON-OPERATING ACTIVITY				
Investment Income	204,547	-	**204,547**	94,538
TOTAL NON-OPERATING ACTIVITY	204,547	-	**204,547**	94,538
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	147,016	-	**147,016**	64,029
NET ASSETS, Beginning of Year	7,219,575	600	**7,220,175**	7,156,146
NET ASSETS, End of Year	$ 7,366,591	$ 600	**$ 7,367,191**	$ 7,220,175

See independent auditor's report.

ORENDA EDUCATION (CHARTER SCHOOL)
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2024
(summarized for 2023)

	2024			
	Without Donor Restrictions	With Donor Restrictions	Total	2023 Total
OPERATING REVENUES AND OTHER SUPPORT				
Local Support:				
5742 Earnings from Temporary Deposits and Investments	$ 624,582	$ -	**$ 624,582**	$ 241,845
5743 Rent	17,933	-	**17,933**	-
5744 Gifts and Bequests	537,534	-	**537,534**	583,021
5749 E-Rate Revenue	99,988	-	**99,988**	101,340
5751 Food Service Activity	542,283	-	**542,283**	503,821
5752 Athletic Activities	38,784	-	**38,784**	67,926
5769 Miscellaneous Revenue from Intermediate Sources	286,945	-	**286,945**	273,335
Total Local Support	2,148,049	-	**2,148,049**	1,771,288
State Program Revenues:				
5810 Per Capita and Foundation School Program Revenues	-	18,208,932	**18,208,932**	17,926,263
5820 State Program Revenues Distributed by Texas Education Agency	-	417,131	**417,131**	83,158
5830 State Revenues from State of Texas Government Agencies	-	570,453	**570,453**	-
Total State Program Revenues	-	19,196,516	**19,196,516**	18,009,421
Federal Program Revenues:				
5910 Federal Revenues Distributed Through Agencies Other than TEA	-	4,350	**4,350**	-
5920 Federal Revenues Distributed by Texas Education Agency	-	725,089	**725,089**	1,435,940
5930 Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	-	9,967	**9,967**	166,623
Total Federal Program Revenues	-	739,406	**739,406**	1,602,563
Net Assets Released From Restrictions:				
Restrictions Satisfied By Payments	20,924,179	(20,924,179)	**-**	-
TOTAL OPERATING REVENUES AND OTHER SUPPORT	23,072,228	(988,257)	**22,083,971**	21,383,272
OPERATING EXPENSES				
11 Instruction	9,450,338	-	**9,450,338**	9,005,637
12 Instructional Resources and Media Services	36,212	-	**36,212**	38,551
13 Curriculum Development and Instructional Staff Development	362,241	-	**362,241**	338,992
21 Instructional Leadership	403,175	-	**403,175**	325,422
23 School Leadership	1,079,268	-	**1,079,268**	1,020,671
31 Guidance, Counseling, and Evaluation Services	387,649	-	**387,649**	554,796
33 Health Services	116,693	-	**116,693**	111,901
34 Student Transportation	112,413	-	**112,413**	106,001
35 Food Services	514,254	-	**514,254**	424,172
36 Extracurricular Activities	690,216	-	**690,216**	635,070
41 General Administration	1,187,989	-	**1,187,989**	1,039,301
51 Plant Maintenance and Operations	3,318,861	-	**3,318,861**	3,018,042
52 Security and Monitoring Services	181,343	-	**181,343**	29,768
53 Data Processing Services	543,995	-	**543,995**	581,081
71 Debt Service	2,390,501	-	**2,390,501**	1,831,202
81 Fundraising	220,538	-	**220,538**	194,319
TOTAL OPERATING EXPENSES	20,995,686	-	**20,995,686**	19,254,926
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	2,076,542	(988,257)	**1,088,285**	2,128,346
NON-OPERATING ACTIVITY				
Loss on Sale of Real and Personal Property	(3,703)	-	**(3,703)**	-
TOTAL NON-OPERATING ACTIVITY	(3,703)	-	**(3,703)**	-
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	2,072,839	(988,257)	**1,084,582**	2,128,346
NET ASSETS, Beginning of Year	16,331,013	1,789,061	**18,120,074**	15,991,728
NET ASSETS, End of Year	$ 18,403,852	$ 800,804	**$ 19,204,656**	$ 18,120,074

See independent auditor's report.

ORENDA EDUCATION (CHARTER HOLDER)
STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	**$ 147,016**	$ 64,029
Adjustments to Reconcile Net Change to Net Cash (Used)		
Provided by Operations:		
Depreciation and Amortization	**47,917**	48,109
Unrealized Gain on Investments	**(175,267)**	(58,332)
Increase in Assets:		
Due from Orenda Education Charter School	**(98,155)**	-
Increase in Liabilities:		
Accounts Payable	**1,167**	-
Accrued Expenses	**387**	371
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	**(76,935)**	54,177
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	**(29,281)**	(36,206)
NET CASH USED BY INVESTING ACTIVITIES	**(29,281)**	(36,206)
NET (DECREASE) INCREASE IN CASH FLOWS	**(106,216)**	17,971
CASH AND CASH EQUIVALENTS, Beginning of Year	**3,544,365**	3,526,394
CASH AND CASH EQUIVALENTS, End of Year	**$ 3,438,149**	$ 3,544,365

See independent auditor's report.

ORENDA EDUCATION (CHARTER SCHOOL)
STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Foundation School Program Payments	**$ 18,315,181**	$ 17,980,600
Grant Payments	**1,462,442**	2,789,099
Miscellaneous Sources	**2,167,182**	1,799,819
Payments to Vendors for Goods and Services Rendered	**(2,772,524)**	(3,906,543)
Payments to Charter School Personnel for Services Rendered	**(12,587,812)**	(12,340,738)
Interest Payments	**(2,147,725)**	(1,690,647)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**4,436,744**	4,631,590
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	**(11,099,469)**	(6,589,633)
Proceeds from Sale of Property	**20,000**	-
NET CASH USED BY INVESTING ACTIVITIES	**(11,079,469)**	(6,589,633)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments into Sinking Fund	**(529,853)**	(472,551)
Payments on Finance Lease Obligation	**(17,695)**	(16,813)
Proceeds from Issuance of Bonds	**-**	14,100,000
Payment of Bond Issue Costs	**(19,295)**	(879,227)
Payments on Bonds Payable	**(865,000)**	(660,000)
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	**(1,431,843)**	12,071,409
NET (DECREASE) INCREASE IN CASH FLOWS	**(8,074,568)**	10,113,366
CASH AND CASH EQUIVALENTS, Beginning of Year	**17,414,927**	7,301,561
CASH AND CASH EQUIVALENTS, End of Year	**$ 9,340,359**	$ 17,414,927
Reconciliation of Change in Net Assets to Net Cash Provided by Operations:		
Change in Net Assets	**$ 1,084,582**	$ 2,128,346
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operations:		
Depreciation and Amortization	**1,767,415**	1,601,620
Loss on Sale of Real and Personal Property	**3,703**	-
(Increase) Decrease in Assets:		
Accounts Receivable	**(75,974)**	(95,807)
Due from Texas Education Agency	**(83,677)**	1,253,510
Other Receivables	**1,352**	(101,340)
Prepaid Expenses	**12,660**	(66,962)
Operating Lease Right-of-Use Assets	**(964,523)**	(141,806)
Increase (Decrease) in Liabilities:		
Accounts Payable	**1,531,362**	(183,987)
Accrued Expenses	**57,770**	53,197
Deferred Revenue	**23,539**	28,588
Due to Orenda Education (Charter Holder)	**98,155**	-
Operating Lease Payables	**960,832**	145,497
Other Liabilities	**19,548**	10,734
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ 4,436,744**	$ 4,631,590
Supplemental Disclosures		
Right-of-Use Asset Obtained Through Finance Lease	**$ 7,312**	$ 69,050

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF EXPENSES
For the Years Ended August 31, 2024 and 2023

		2024	2023
Orenda Education (Consolidated)			
Expenses			
6100	Payroll Costs	**$ 12,700,053**	$ 12,296,160
6200	Professional and Contracted Services	**2,516,204**	2,114,769
6300	Supplies and Materials	**1,249,126**	998,909
6400	Other Operating Costs	**2,316,985**	2,165,047
6500	Debt	**2,390,501**	1,831,202
8900	Other Uses	**3,703**	-
	Total Expenses	**$ 21,176,572**	$ 19,406,087
Orenda Education (Charter Holder)			
Expenses			
6100	Payroll Costs	**$ 54,471**	$ 53,160
6200	Professional and Contracted Services	**4,199**	3,500
6400	Other Operating Costs	**216,668**	190,909
	Total Expenses (net of eliminating entries)	**$ 275,338**	$ 247,569
Orenda Education (Charter School)			
Expenses			
6100	Payroll Costs	**$ 12,645,582**	$ 12,243,000
6200	Professional and Contracted Services	**2,512,005**	2,111,269
6300	Supplies and Materials	**1,249,126**	998,909
6400	Other Operating Costs	**2,100,317**	1,974,138
6500	Debt	**2,390,501**	1,831,202
8900	Other Uses	**3,703**	-
	Total Expenses (net of eliminating entries)	**$ 20,901,234**	$ 19,158,518

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF ASSETS
August 31, 2024

Orenda Education (Consolidated)	Ownership Interest		
	Local	State	Federal
1110 Cash	$ 3,438,149	$ 9,340,359	$ -
1510 Land and Improvements	1,128,728	6,254,595	-
1515 Construction in Progress	-	2,105,257	-
1520 Buildings and Improvements	1,599,634	58,656,601	916,095
1531 Vehicles	-	498,677	108,560
1539 Furniture and Equipment	50,085	1,839,458	-
1551 Right-of-Use Assets: Operating Lease for Building	-	1,106,329	-
1559 Right-of-Use Assets: Financing Lease for Furniture and Equipment	-	76,362	-
Total	$ 6,216,596	$ 79,877,638	$ 1,024,655

Orenda Education (Charter Holder)	Ownership Interest		
	Local	State	Federal
1110 Cash	$ 3,438,149	$ -	$ -
1510 Land and Improvements	1,128,728	-	-
1520 Buildings and Improvements	1,599,634	-	-
1539 Furniture and Equipment	50,085	-	-
Total	$ 6,216,596	$ -	$ -

Orenda Charter School	Ownership Interest		
	Local	State	Federal
1110 Cash	$ -	$ 9,340,359	$ -
1510 Land and Improvements	-	6,254,595	-
1515 Construction in Progress	-	2,105,257	-
1520 Buildings and Improvements	-	58,656,601	916,095
1531 Vehicles	-	498,677	108,560
1539 Furniture and Equipment	-	1,839,458	-
1551 Right-of-Use Assets: Operating Lease for Building	-	1,106,329	-
1559 Right-of-Use Assets: Financing Lease for Furniture and Equipment	-	76,362	-
Total	$ -	$ 79,877,638	$ 1,024,655

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2024

	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	$ 775,000	$ 1,075,000	$ (300,000)	[1]	$ 1,280,037		$ 205,037	
5750 Revenue from Cocurricular, Enterprising Services or Activities	600,000	600,000	-		581,067		(18,933)	
5760 Revenues from Intermediate Sources	150,000	150,000	-		286,945		136,945	
Total Local Support	1,525,000	1,825,000	(300,000)		2,148,049		323,049	
State Program Revenues:								
5810 Per Capita and Foundation School Program Revenues	18,223,098	18,358,098	(135,000)		18,208,932		(149,166)	
5820 State Program Revenues Distributed by Texas Education Agency	441,085	441,085	-		417,131		(23,954)	
5830 State Revenues from State of Texas Government Agencies	-	747,000	(747,000)	[2]	570,453		(176,547)	[3]
Total State Program Revenues	18,664,183	19,546,183	(882,000)		19,196,516		(349,667)	
Federal Program Revenues:								
5910 Federal Revenues Distributed through Agencies Other than TEA	-	-	-		4,350		4,350	
5920 Federal Revenues Distributed by Texas Education Agency	849,760	749,760	100,000	[4]	725,089		(24,671)	
5930 Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	80,000	10,000	70,000	[5]	9,967		(33)	
Total Federal Program Revenues	929,760	759,760	170,000		739,406		(20,354)	
TOTAL OPERATING REVENUES AND OTHER SUPPORT	21,118,943	22,130,943	(1,012,000)		22,083,971		(46,972)	
OPERATING EXPENSES								
11 Instruction	9,053,586	9,427,854	(374,268)		9,450,338		(22,484)	
12 Instructional Resources and Media Services	40,461	42,889	(2,428)		36,212		6,677	
13 Curriculum Development and Instructional Staff Development	337,274	381,399	(44,125)	[6]	362,241		19,158	
21 Instructional Leadership	340,274	354,942	(14,668)		403,175		(48,233)	[7]
23 School Leadership	978,638	1,064,827	(86,189)		1,079,268		(14,441)	
31 Guidance, Counseling, and Evaluation Services	606,904	558,072	48,832		387,649		170,423	
33 Health Services	114,044	127,603	(13,559)	[8]	116,693		10,910	
34 Student Transportation	140,824	144,546	(3,722)		112,413		32,133	
35 Food Services	468,798	493,785	(24,987)		514,254		(20,469)	
36 Extracurricular Activities	606,456	618,988	(12,532)		690,216		(71,228)	[9]
41 General Administration	1,184,822	1,238,747	(53,925)		1,187,989		50,758	
51 Plant Maintenance and Operations	3,332,324	3,793,766	(461,442)	[10]	3,318,861		474,905	
52 Security and Monitoring Services	175,500	177,000	(1,500)		181,343		(4,343)	
53 Data Processing Services	578,548	635,372	(56,824)		543,995		91,377	
71 Debt Service	2,247,489	2,247,489	-		2,390,501		(143,012)	
81 Fundraising	238,488	249,151	(10,663)		220,538		28,613	
TOTAL OPERATING EXPENSES	20,444,430	21,556,430	(1,112,000)		20,995,686		560,744	
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	674,513	574,513	100,000		1,088,285		513,772	
NON-OPERATING ACTIVITY								
Loss on Sale of Real and Personal Property	-	-	-		3,703		(3,703)	[11]
TOTAL NON-OPERATING ACTIVITY	-	-	-		3,703		(3,703)	
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	674,513	574,513	100,000		1,084,582		510,069	
NET ASSETS, Beginning of Year	18,120,074	18,120,074	-		18,120,074		-	
NET ASSETS, End of Year	$ 18,794,587	$ 18,694,587	$ 100,000		$ 19,204,656		$ 510,069	

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
NOTES TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2024

(1) Variance is due to final budget being amended to reflect additional interest earned during the year.

(2) Variance is due to change in FASRG requiring charter schools to record TRS On-Behalf revenues after original budget was adopted; final budget was amended to reflect this increase.

(3) Variance is due to actual cost of TRS On-Behalf revenues being lower than original calculation.

(4) Variance is due to final budget being amended to reflect reduced Title I grant funding received from no longer serving an RF campus.

(5) Variance is due to final budget being amended to reflect changes in the SHARS program reimbursement calculation, resulting in much lower revenue than originally anticipated.

(6) Variance is due to final budget being amended to reflect additional training necessary for classroom teachers on an ESL waiver as well as increased training cost due to changes in delivery for Reading Academies required by the state.

(7) Variance is due to cost of ARD Facilitator contracted services being higher than expected based on staff vacancies.

(8) Variance is due to final budget being amended to reflect expectation of additional audiometers being purchased for the school.

(9) Variance is due to local sportsplex expenses being higher than expected; budget was initially formed without a formal opening date known for the facilities.

(10) Variance is due to final budget being amended to reflect anticipated increases in depreciation, utilities, and maintenance costs associated with new buildings.

(11) Variance is due to sale of property not being included as part of original budget formation.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
For the Year Ended August 31, 2024

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.	$	358,743
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)	$	209,179

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.	$	60,208
AP8	List the actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25, 35)	$	34,490

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS
For the Year Ended August 31, 2024

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	$ 65,020
Chase Rickey	Richard Rickey	Child	Benefit	Monthly	Health/Medical & Life Ins.	State	$ 5,133
Millie Blackwell	Colby Blackwell	Spouse	Compensation	Monthly	Salary	State	$ 22,492
Millie Blackwell	Colby Blackwell	Spouse	Benefit	Monthly	Health/Medical & Life Ins.	State	$ 1,727

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year Ended August 31, 2024

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, 2024

Description	Property Address	Total Assessed Value	Ownership Interest Local	Ownership Interest State	Ownership Interest Federal
S13218 - Orenda Sub, Block D, Lot 1A, Acres 52.058	3320 Westinghouse Rd, Georgetown, TX 78626	$ 9,348,136	$ 3,365,329	$ 5,982,807	$ -
A Flores Abst #214 1.100 Ac (Kingsland Plaza)	2112 W RR 1431, Kingsland, Tx	1,205,920	-	1,205,920	-
Total Real Property Ownership Interest		$ 10,554,056	$ 3,365,329	$ 7,188,727	$ -

See independent auditor's report.

CONSOLIDATING FINANCIAL STATEMENTS

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
August 31, 2024
(summarized for 2023)

	2024				
	Orenda Education (Charter Holder)	Orenda Education Charter School	Eliminating Entries	Total	2023 Total
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	$ 3,438,149	$ 9,340,359	$ -	**$ 12,778,508**	$ 20,959,292
Accounts Receivable	-	234,381	-	**234,381**	158,407
Due from Texas Education Agency	-	2,079,682	-	**2,079,682**	1,996,005
Due from Orenda Education (Charter Holder)	98,155	-	(98,155)	**-**	-
Other Receivables	-	99,988	-	**99,988**	101,340
Prepaid Expenses	-	185,067	-	**185,067**	197,727
Total Current Assets	3,536,304	11,939,477	(98,155)	**15,377,626**	23,412,771
LONG-TERM ASSETS					
Long-Term Investments	1,436,205	-	-	**1,436,205**	1,231,657
Sinking Fund for Bonds Payable	-	3,329,323	-	**3,329,323**	2,799,470
Operating Lease Right-of-Use Assets	-	1,106,329	-	**1,106,329**	141,806
Finance Lease Right-of-Use Assets, net	-	25,829	-	**25,829**	35,952
Property and Equipment, net	2,408,941	59,800,027	-	**62,208,968**	52,686,461
Total Long-Term Assets	3,845,146	64,261,508	-	**68,106,654**	56,895,346
TOTAL ASSETS	$ 7,381,450	$ 76,200,985	$ (98,155)	**$ 83,484,280**	$ 80,308,117
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable	$ 1,167	$ 2,336,458	$ -	**$ 2,337,625**	$ 805,096
Accrued Expenses	12,592	1,192,331	-	**1,204,923**	1,146,766
Deferred Revenue	-	186,737	-	**186,737**	163,198
Due from Orenda Education (Charter Holder)	-	98,155	(98,155)	**-**	-
Operating Lease Payables - current	-	257,520	-	**257,520**	145,497
Finance Lease Payables - current	-	20,835	-	**20,835**	17,556
Bonds Payable - current	-	910,000	-	**910,000**	865,000
Other Liabilities	500	148,526	-	**149,026**	129,478
Total Current Liabilities	14,259	5,150,562	(98,155)	**5,066,666**	3,272,591
LONG-TERM LIABILITIES					
Operating Lease Payables - long-term	-	848,809	-	**848,809**	-
Finance Lease Payables - long-term	-	6,233	-	**6,233**	19,895
Bonds Payable - long-term, net	-	50,990,725	-	**50,990,725**	51,675,382
Total Long-Term Liabilities	-	51,845,767	-	**51,845,767**	51,695,277
TOTAL LIABILITIES	14,259	56,996,329	(98,155)	**56,912,433**	54,967,868
NET ASSETS					
Without Donor Restrictions	7,366,591	18,403,852	-	**25,770,443**	23,550,588
With Donor Restrictions	600	800,804	-	**801,404**	1,789,661
TOTAL NET ASSETS	7,367,191	19,204,656	-	**26,571,847**	25,340,249
TOTAL LIABILITIES AND NET ASSETS	$ 7,381,450	$ 76,200,985	$ (98,155)	**$ 83,484,280**	$ 80,308,117

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2024
(summarized for 2023)

	2024				
	Orenda Education (Charter Holder)	**Orenda Education Charter School**	**Eliminating Entries**	**Total**	2023 Total
OPERATING REVENUES AND OTHER SUPPORT					
Local Support:					
Earnings from Temporary Deposits and Investments	$ -	$ 624,582	$ -	**$ 624,582**	$ 241,845
Food Service Activity	-	542,283	-	**542,283**	503,821
Contributions	537,534	537,534	(537,534)	**537,534**	583,021
Miscellaneous Revenue from Intermediate Sources	118,982	286,945	-	**405,927**	393,987
E-Rate Revenue	-	99,988	-	**99,988**	101,340
Athletic Activities	-	38,784	-	**38,784**	67,926
Rent	-	17,933	-	**17,933**	-
Interest Income	670	-	-	**670**	-
Professional Services	98,155	-	(98,155)	**-**	-
Total Local Support	755,341	2,148,049	(635,689)	**2,267,701**	1,891,940
State Program Revenues:					
Per Capita and Foundation School Program Revenues	-	18,208,932	-	**18,208,932**	17,926,263
State Program Revenues Distributed by Texas Education Agency	-	417,131	-	**417,131**	83,158
State Revenues from State of Texas Government Agencies	-	570,453	-	**570,453**	-
Total State Program Revenues	-	19,196,516	-	**19,196,516**	18,009,421
Federal Program Revenues:					
Federal Revenues Distributed Through Agencies Other than TEA	-	4,350	-	**4,350**	-
Federal Revenues Distributed by Texas Education Agency	-	725,089	-	**725,089**	1,435,940
Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	-	9,967	-	**9,967**	166,623
Total Federal Program Revenues	-	739,406	-	**739,406**	1,602,563
TOTAL OPERATING REVENUES AND OTHER SUPPORT	755,341	22,083,971	(635,689)	**22,203,623**	21,503,924
OPERATING EXPENSES	812,872	20,995,686	(635,689)	**21,172,869**	19,406,087
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	(57,531)	1,088,285	-	**1,030,754**	2,097,837
NON-OPERATING ACTIVITY					
Investment Income	204,547	-	-	**204,547**	94,538
Loss on Sale of Real and Personal Property	-	(3,703)	-	**(3,703)**	-
TOTAL NON-OPERATING ACTIVITY	204,547	(3,703)	-	**200,844**	94,538
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	147,016	1,084,582	-	**1,231,598**	2,192,375
NET ASSETS, Beginning of Year	7,220,175	18,120,074	-	**25,340,249**	23,147,874
NET ASSETS, End of Year	$ 7,367,191	$ 19,204,656	$ -	**$ 26,571,847**	$ 25,340,249

See independent auditor's report.

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended August 31, 2024
(summarized for 2023)

	2024				
	Orenda Education (Charter Holder)	**Orenda Education Charter School**	**Eliminating Entries**	**Total**	2023 Total
OPERATING EXPENSES					
Salaries	$ 46,860	$ 10,425,443	$ -	**$ 10,472,303**	$ 10,842,070
Payroll Taxes and Benefits	7,611	2,220,139	-	**2,227,750**	1,454,090
Total Payroll Expenses	54,471	12,645,582	-	**12,700,053**	12,296,160
Interest	-	2,147,725	-	**2,147,725**	1,690,647
Depreciation	47,917	1,524,639	-	**1,572,556**	1,509,174
Maintenance and Repair	-	952,459	-	**952,459**	687,926
Contract Labor	-	752,207	(98,155)	**654,052**	448,233
General Supplies	-	617,953	-	**617,953**	590,103
Utilities	-	535,837	-	**535,837**	570,825
Miscellaneous	168,751	195,803	-	**364,554**	277,285
Instructional Materials	-	334,078	-	**334,078**	156,272
Food	-	277,182	-	**277,182**	230,095
Rental Expense	-	274,812	-	**274,812**	320,940
Insurance and Bonding	-	249,564	-	**249,564**	241,021
Bond Amortization	-	225,341	-	**225,341**	123,287
Travel	-	100,688	-	**100,688**	106,659
Educational Service Center	-	52,846	-	**52,846**	39,619
Professional Fees	4,199	41,999	-	**46,198**	47,226
Dues and Subscriptions	-	29,623	-	**29,623**	30,908
Gas and Fuel	-	19,913	-	**19,913**	22,439
Lease Amortization	-	17,435	-	**17,435**	17,268
Charitable Contributions	537,534	-	(537,534)	**-**	-
TOTAL OPERATING EXPENSES	$ 812,872	$ 20,995,686	$ (635,689)	**$ 21,172,869**	$ 19,406,087

See independent auditor's report.

OTHER REQUIRED REPORTING

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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, 2024, 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 20, 2025.

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 20, 2025

ORENDA EDUCATION
dba ORENDA CHARTER SCHOOLS
SUMMARY OF AUDIT FINDINGS
For the Year Ended August 31, 2024

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