



**Odyssey Preparatory Academy**  
(A charter school under  
Odyssey Charter School, Inc.  
(A Charter School and Component Unit  
of the School Board of Brevard County, Florida)  
W/L #6541  
Palm Bay, Florida

Financial Statements and  
Independent Auditors' Report

June 30, 2021

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**Odyssey Preparatory Academy**  
(A charter school under Odyssey Charter School, Inc.  
W/L# 6541)

1350 Wyoming Drive SE  
Palm Bay, FL 32909

**2020-2021**

BOARD OF DIRECTORS

Leslie Maloney, President  
Andy Ziegler, Vice President  
Amber Miller, Secretary  
Conrado Martinez, Board Member

SCHOOL ADMINISTRATION

Wendi Nolder, Principal



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Odyssey Preparatory Academy  
Palm Bay, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of Odyssey Preparatory Academy (the “School”), a charter school under Odyssey Charter School, Inc. , which is a component unit of the District School Board of Brevard County, as of, and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the School’s basic financial statements as listed in the table of contents.

### ***Management’s Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor’s Responsibility***

Our responsibility is to express opinions on these 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

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***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Odyssey Preparatory Academy as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

As described in Note 1, the accompanying financial statements referred to above present only the financial position of Odyssey Preparatory Academy as of June 30, 2021, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of Odyssey Charter School, Inc. These financial statements do not purport to and do not present fairly the financial position of Odyssey Charter School, Inc. as of June 30, 2021 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2021 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over reporting and compliance.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 27 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
August 30, 2021

**Management’s Discussion and Analysis**  
Odyssey Preparatory Academy  
(A Charter School Under Odyssey Charter School, Inc. )

June 30, 2021

The corporate officers of Odyssey Preparatory Academy have prepared this narrative overview and analysis of the School’s financial activities for the year ended June 30, 2021.

**Financial Highlights**

1. The net position of the School at June 30, 2021 was \$876,759.
2. At year-end, the School had current assets on hand of \$1,914,603.
3. The School had an increase in net position of \$213,180 for the year ended June 30, 2021.
4. The unassigned fund balance at year end was \$1,273,613.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the School’s basic financial statements. The School’s financial statements for the year ended June 30, 2021 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the School’s finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between the four is reported as *net position*. Over time increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School’s net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

The government-wide financial statements can be found on pages 9 - 10 of this report.

Fund Financial Statements

A “fund” is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Government Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Government Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 11 – 14 of this report.

*Notes to Financial Statements*

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 15 - 26 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, net position was \$876,759 at the close of the fiscal year. A summary of the School's net position as of June 30, 2021 and 2020 is as follows:

	2021	2020
Cash	\$ 1,317,081	\$ 739,638
Restricted cash held by trustee	431,076	391,193
Prepaid expenses and other current assets	289	19,305
Due from other agencies	148,897	249,976
Due from other divisions of Odyssey Charter School Inc.	17,260	94,130
Capital assets, net	3,347,021	3,414,793
Total Assets	5,261,624	4,909,035
 Deferred Outflows	-	-
Accounts payable and accrued liabilities	209,625	233,794
Capital lease obligation	35,200	11,285
Notes payable to bank under the PPP	403,880	209,443
Bond payable	3,736,160	3,790,934
Total Liabilities	4,384,865	4,245,456
 Deferred Inflows	-	-
Net Position:		
Net investment in capital assets	94,550	45,438
Restricted by Bonds	431,076	391,193
Unrestricted	351,133	226,948
Total Net Position	\$ 876,759	\$ 663,579

At the end of the year, the School is able to report positive balances in total net position.

A summary and analysis of the School's revenues and expenses for the year ended June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Program Revenues		
Capital grants and contributions	\$ 433,243	\$ 314,535
Operating grants and contributions	498,146	414,775
Lunch program	204,928	208,283
Charges for services	20,856	-
General Revenues		
FTE and other nonspecific revenues	3,130,474	2,999,271
Other revenues	3,405	3,532
Total Revenues	<u>\$ 4,291,052</u>	<u>\$ 3,940,396</u>
<b>EXPENSES</b>		
Component Unit Activities:		
Instruction	\$ 2,121,473	\$ 1,796,263
Student support services	93,812	52,138
Instructional media services	8,793	20,999
Instructional and curriculum development services	112,918	165,200
Instructional staff training services	8,898	11,361
Instructional related technology	74,900	68,033
School administration	739,579	721,416
Fiscal services	28,272	44,951
Food services	187,989	209,039
Pupil transportation services	128,123	131,903
Operation of plant	381,546	389,320
Maintenance of plant	9,432	14,407
Community services	18,164	27,079
Interest	163,973	179,881
Total Expenses	<u>4,077,872</u>	<u>3,831,990</u>
Increase in Net Position	213,180	108,406
Net Position at Beginning of Year	<u>663,579</u>	<u>555,173</u>
Net Position at End of Year	<u>\$ 876,759</u>	<u>\$ 663,579</u>

The School's revenue and expenditures increased by \$350,656 and \$245,882, respectively, as a result of per student enrollment increases which resulted in an overall increase in FTE revenues. The School had an increase in its net position of \$213,180.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.



## **Governmental Funds**

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements.

In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of \$1,273,902. The fund balance that is unassigned and available for spending at the School's discretion is \$1,273,613. These funds will be available for the School's future operations.

## **Achievements 2020-2021**

Odyssey Preparatory Academy (OPA) has had consistent enrollment in grades K-6, hovering around 414 students annually, for the past 5 years. Due to wait lists and the current space needs of the Jr/Sr High sharing its location, OPA began the discussions during the spring of 2021 regarding the selection, construction, and moving of OPA to a new location in two to three years. With a new facility, the school will be able expand to serve over 750 students in grades K-8. During the 2020-2021 school year, the school began providing several special opportunities for students, including more nutrition, environmental and gardening education and the addition of a STEAM lab to enhance science education in grades K-6. The school also added numerous raised garden beds in the playground space to allow for more hands-on learning. The school also grew its focus on the visual arts and added an environmental club.

Throughout the pandemic, the school diligently supported eLearning and face-to-face learners through a synchronized learning model approved by the Florida Department of Education. Through the Canvas Online Learning platform, students at home and school had access to all curriculum resources needed to continue their learning and through the video platform of Zoom, students were able to engage in real-time instruction. Differentiated learning supports like tutoring and intervention/acceleration, in person and virtually, were also provided to ensure that all students were able to meet the rigorous state standards. With an 89% poverty rate and more than 30% of students learning from home, Odyssey Preparatory Academy will maintain its 'B' grade from the FLDOE. It was able to score above the state average in 3rd, 4th, and 5th grade ELA and Math assessments. Efforts to directly address the gaps resulting from the pandemic have begun with more instructional coaching, strong intervention planning, and the implementation of a deeper level of progress monitoring of student data through the school year.

## **Capital Assets**

The School's investment in capital assets as of June 30, 2021 amounts to \$3,347,021 (net of accumulated depreciation). This investment in capital assets includes building and improvements, furniture, fixtures, and computer equipment. As of June 30, 2021, the School had long term debt totaling \$3,771,360 relating to capital assets.

## Governmental Fund Budget Analysis and Highlights

Prior to the start of the School's fiscal year, the Board of the Charter School adopted an annual budget. A budgetary comparison statement has been provided for total governmental funds (both general fund, capital projects fund and non-major governmental funds) to demonstrate compliance with the School's budget.

	Governmental Funds		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Program Revenues			
Capital grants and contributions	\$ 241,200	\$ 433,245	\$ 433,243
Federal sources	374,557	361,800	498,146
Federal lunch program	298,000	136,350	136,353
Charges for services and other revenue	14,500	89,795	92,836
General Revenues			
FTE and other nonspecific revenues	2,922,879	3,130,475	3,130,474
Total Revenues	3,851,136	4,151,665	4,291,052
<b>EXPENDITURES</b>			
Component Unit Activities:			
Instruction	1,862,187	2,049,162	2,049,168
Student support services	87,600	93,809	93,812
Instructional media services	4,340	91	91
Instructional and curriculum development services	119,070	112,925	112,918
Instructional staff training services	9,486	8,900	8,898
Instructional related technology	46,495	74,900	74,900
School administration	754,033	732,825	732,828
Fiscal services	48,240	28,275	28,272
Food services	312,500	186,362	186,362
Pupil transportation services	135,000	128,130	128,123
Operation of plant	263,100	259,200	259,206
Maintenance of plant	31,500	9,450	9,432
Community services	-	18,165	18,164
Expenditures (before capital outlay and debt service)	3,673,551	3,702,194	3,702,174
Capital Outlay and Debt Service:			
Repayment of principal	75,000	76,950	76,949
Interest expense	166,200	163,975	163,973
Capital outlay	53,370	143,955	143,953
Total Expenditures	\$ 3,968,121	\$ 4,087,074	4,087,049

Most variances occurred as a result of the Budget adopted being more conservative than actual results for the year.

### Requests for Information

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to Green Apple School Management, LLC, 1900 S. Harbor City Blvd., Suite 120, Melbourne, FL 32901.

Odyssey Preparatory Academy  
(A charter school under Odyssey Charter School, Inc.)  
Statement of Net Position  
June 30, 2021

	<u>Primary Governmental Governmental Activities</u>
<b><u>Assets</u></b>	
Current assets:	
Cash	\$ 1,317,081
Restricted cash held by trustee	431,076
Due from other divisions of Odyssey Charter School Inc. (restricted)	17,260
Prepaid expenses and other current assets	289
Due from other agencies	<u>148,897</u>
	1,914,603
Land	676,578
Capital assets, depreciable	3,772,560
Less: accumulated depreciation	<u>(1,102,117)</u>
	3,347,021
Total Assets	<u>5,261,624</u>
<b><u>Deferred Outflows of Resources</u></b>	
	<u>-</u>
<b><u>Liabilities</u></b>	
Current liabilities:	
Salaries and wages payable and accrued expenses	203,025
Accounts payable	6,600
Bond payable within one year	66,250
Capital lease obligation payable within one year	<u>11,110</u>
	286,985
Long-term debt:	
Notes payable to bank under the Paycheck Protection Program	403,880
Capital lease obligation	24,090
Bond payable	<u>3,669,910</u>
Total Liabilities	4,384,865
<b><u>Deferred Inflows of Resources</u></b>	
	<u>-</u>
<b><u>Net position</u></b>	
Net investment in capital assets	94,550
Restricted by bonds for:	
Capital Projects	178,002
Debt Service	253,074
Unrestricted	<u>351,133</u>
Total Net Position	<u>\$ 876,759</u>

The accompanying notes are an integral part of this financial statement.

Odyssey Preparatory Academy  
(A charter school under Odyssey Charter School, Inc.)  
Statement of Activities  
For the year ended June 30, 2021

	<u>Program Revenues</u>				<b>Net (Expense) Revenue and Changes in Net Position</b>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
Instruction	\$ 2,121,473	\$ -	\$ 284,869	\$ -	\$ (1,836,604)
Student support services	93,812	-	82,903	-	(10,909)
Instructional media services	8,793	-	-	-	(8,793)
Instructional and curriculum development services	112,918	3,820	112,918	-	3,820
Instructional staff training services	8,898	-	2,500	-	(6,398)
Instructional related technology	74,900	-	10,367	-	(64,533)
School administration	739,579	-	-	-	(739,579)
Fiscal services	28,272	-	-	-	(28,272)
Food services	187,989	68,575	136,353	-	16,939
Pupil transportation services	128,123	-	780	-	(127,343)
Operation of plant	381,546	-	3,809	433,243	55,506
Maintenance of plant	9,432	-	-	-	(9,432)
Community services	18,164	17,036	-	-	(1,128)
Interest	163,973	-	-	-	(163,973)
<b>Total Governmental Activities</b>	<u>4,077,872</u>	<u>89,431</u>	<u>634,499</u>	<u>433,243</u>	<u>(2,920,699)</u>

General revenues:

FTE and other nonspecific revenues	3,130,474
Interest and other revenue	3,405
	<u>3,133,879</u>

Change in net position 213,180

Net position, beginning	663,579
Net position, ending	<u>\$ 876,759</u>

The accompanying notes are an integral part of this financial statement.

Odyssey Preparatory Academy  
(A charter school under Odyssey Charter School, Inc.)  
Balance Sheet - Governmental Funds  
June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b><u>Assets</u></b>					
Cash	\$ 1,317,081	\$ -	\$ -	\$ -	\$ 1,317,081
Restricted cash held by trustee	-	-	253,074	178,002	431,076
Due from other divisions of Odyssey Charter School Inc. (restricted)	17,260	-	-	-	17,260
Due from other agencies	10,251	115,682	-	22,964	148,897
Prepaid expenses and other assets	289	-	-	-	289
Due from funds	138,646	-	-	-	138,646
Total Assets	<u>1,483,527</u>	<u>115,682</u>	<u>253,074</u>	<u>200,966</u>	<u>2,053,249</u>
<b><u>Deferred Outflows of Resources</u></b>					
	-	-	-	-	-
<b><u>Liabilities</u></b>					
Salaries and wages payable	203,025	-	-	-	203,025
Accounts payable	6,600	-	-	-	6,600
Due to funds	-	115,682	-	22,964	138,646
Total Liabilities	<u>209,625</u>	<u>115,682</u>	<u>-</u>	<u>22,964</u>	<u>348,271</u>
<b><u>Deferred Inflows of Resources</u></b>					
	-	-	-	-	-
<b><u>Fund balance</u></b>					
Nonspendable, not in spendable form	289	-	-	-	289
Restricted	-	-	253,074	178,002	431,076
Unassigned	1,273,613	-	-	-	1,273,613
	<u>1,273,902</u>	<u>-</u>	<u>253,074</u>	<u>178,002</u>	<u>1,704,978</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,483,527</u>	<u>\$ 115,682</u>	<u>\$ 253,074</u>	<u>\$ 200,966</u>	<u>\$ 2,053,249</u>

The accompanying notes are an integral part of this financial statement.

Odyssey Preparatory Academy  
(A charter school under Odyssey Charter School, Inc.)  
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position  
June 30, 2021

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Total Fund Balance - Governmental Funds \$ 1,704,978

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets of \$4,449,138 net of accumulated depreciation of \$1,102,117 used in governmental activities are not financial resources and therefore are not reported in the fund. 3,347,021

Long term debt which is not due and payable in the current period and, therefore, is not reported in the governmental funds. (4,175,240)

Total Net Position - Governmental Activities \$ 876,759

The accompanying notes are an integral part of this financial statement.

Odyssey Preparatory Academy  
(A charter school under Odyssey Charter School, Inc.)  
Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds  
For the year ended June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental
<b>Revenues:</b>					
State capital outlay funding	\$ -	\$ -	\$ -	\$ 433,243	\$ 433,243
State passed through local	3,130,474	-	-	-	3,130,474
Federal sources	-	498,146	-	-	498,146
Federal lunch program	-	136,353	-	-	136,353
Other revenue	3,391	-	14	-	3,405
Charges for services	20,856	68,575	-	-	89,431
<b>Total Revenues</b>	<b>3,154,721</b>	<b>703,074</b>	<b>14</b>	<b>433,243</b>	<b>4,291,052</b>
<b>Expenditures:</b>					
<b>Current</b>					
Instruction	1,841,059	208,109	-	-	2,049,168
Student support services	10,909	82,903	-	-	93,812
Instructional media services	91	-	-	-	91
Instructional and curriculum development services	-	112,918	-	-	112,918
Instructional staff training services	6,398	2,500	-	-	8,898
Instructional related technology	64,533	10,367	-	-	74,900
School administration	732,828	-	-	-	732,828
Fiscal services	28,272	-	-	-	28,272
Food services	-	186,362	-	-	186,362
Pupil transportation services	127,343	780	-	-	128,123
Operation of plant	102,945	3,809	-	152,452	259,206
Maintenance of plant	9,432	-	-	-	9,432
Community services	18,164	-	-	-	18,164
<b>Capital Outlay:</b>					
Other capital outlay	67,193	76,760	-	-	143,953
<b>Debt Service:</b>					
Repayment of principal on loans and leases	-	-	76,949	-	76,949
Interest	-	-	163,973	-	163,973
<b>Total Expenditures</b>	<b>3,009,167</b>	<b>684,508</b>	<b>240,922</b>	<b>152,452</b>	<b>4,087,049</b>
Excess/(Deficit) of revenues over expenditures	145,554	18,566	(240,908)	280,791	204,003
<b>Other financing sources:</b>					
Decrease in long term receivables	94,130	-	-	-	94,130
Transfers from capital projects fund for debt service	-	-	-	-	-
Increase in capital lease	-	-	-	-	-
Proceeds from Paycheck Protection Program	-	194,437	-	-	194,437
Proceeds from capital lease	46,090	-	-	-	46,090
Transfers in and (out)	213,003	(213,003)	240,922	(240,922)	-
Net change in fund balance	498,777	-	14	39,869	538,660
Fund Balance at beginning of year	775,125	-	253,060	138,133	1,166,318
<b>Fund Balance at end of year</b>	<b>\$ 1,273,902</b>	<b>\$ -</b>	<b>\$ 253,074</b>	<b>\$ 178,002</b>	<b>\$ 1,704,978</b>

The accompanying notes are an integral part of this financial statement.

Odyssey Preparatory Academy  
 (A charter school under Odyssey Charter School, Inc.)  
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
 of Governmental Funds to the Statement of Activities  
 For the year ended June 30, 2021

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Net Change in Fund Balance - Governmental Funds \$ 538,660

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, their costs are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$143,953 differed from depreciation expense of \$211,725 net of retirements. (67,772)

The proceeds from debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayments of \$76,949 exceeded proceeds of \$240,527 in the current period. (163,578)

Decrease in long term receivables increases other financing sources in the governmental funds, but a decrease or collections of such receivables reduces long-term assets in the statement of net position. This is the amount by which the increase in long-term receivables of \$0 differed from the collections in the current period of \$94,130. (94,130)

Change in Net Position of Governmental Activities \$ 213,180

The accompanying notes are an integral



## **Note 1 – Summary of Significant Accounting Policies**

### Reporting Entity

Odyssey Preparatory Academy (the "School"), is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-for-Profit Corporation Act. The governing body of the School is the board of directors of the not-for-profit corporation, which is composed of four members. The School operates under a charter granted by the sponsoring district, the District School Board of Brevard County (the "District"). The current charter expires on June 30, 2023 and is renewable for an additional term pursuant to law or by mutual written agreement between the School and the District. During the term of the charter, the District may terminate the charter if good cause is shown. The School is considered a component unit of such District. The School is located in Palm Bay, Florida for students from kindergarten through sixth grades and is funded by the District. These financial statements are for the year ended June 30, 2021, during which 417 students were enrolled for the school year.

### Basis of Presentation

The School's accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

### Government-wide and Fund Financial Statements

#### *Government-wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities.

These statements also do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) local and state capital grants specific to capital outlay. Other revenue sources not properly included with program revenues are reported as general revenues. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues, and other miscellaneous sources.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

*Fund Financial Statements*

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. Major individual governmental funds are reported as separate columns in the fund financial statements:

*General Fund* – is the School’s primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

*Special Revenue Fund* – accounts for specific revenue, such as the federal lunch program and other federal grants (including COVID-19 emergency relief funding) that are legally restricted to expenditures for particular purposes.

*Debt Service Fund* – accounts for the resources accumulated and payments made for principal and interest on long-term debt of the School.

*Capital Projects Fund* – is used to account for the resources restricted for the acquisition or construction of specific capital assets from the bond proceeds and for state and local capital outlay funding that are legally restricted to expenditures for particular purposes.

Measurement Focus and Basis of Accounting

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*.

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**Note 1 – Summary of Significant Accounting Policies (continued)**

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgets and Budgetary Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g. salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.

Inter-fund Transfers

Outstanding balances between funds are reported as “due to/from” other funds. Inter-fund transfers are made to move any excess or shortage between funds. Inter-fund transfers are made between the General Fund, Special Revenue Fund, Debt Service and Capital Projects Fund. See Note 8.

Cash

All deposits are held in major banks and high grade investments. The School has not adopted a formal investment policy. Cash and cash equivalents include all highly liquid investments with a maturity of three months or less.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Due from Other Governments or Agencies

Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

Long –Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond payable is reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

Capital Assets

The School’s property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of \$2,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in the government-wide statements. Proceeds received from the disposal of capital assets are recorded as Other Financing Sources in the governmental funds. Estimated useful lives, in years, for depreciable assets are as follows:

Building and improvements	5-39 Years
Furniture, equipment, and library	3-10 Years
Computer equipment and software	3-5 Years

Revenue Sources

Revenues for operations will be received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School may receive a portion of the local capital improvement ad valorem tax revenues levied by the District.

Finally, the School may also receive Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Charges for Services

The School charges students for various instruction and curriculum development programs including music, tutoring, food, and art programs. These activities are recorded in the general fund since the fees charged are only supplementing the programs and the cost of such programs substantially exceed the fees.

Compensated Absences

The School grants a specific number of sick days. Full time salary employees are entitled to one day per month to up to ten days of active work during the ten-month period. Full-time hourly employees are entitled to four days of paid leave annually. In the event that available time is not used by the end of the benefit year, employees will not be able to “rollover” unused days for use in future years. There is no termination payment for accumulated unused sick days.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for sick days available to be used in future benefit years.

The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Income Taxes

Odyssey Charter School, Inc. qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through August 30, 2021, which is the date the financial statements were available to be issued.

Restricted Assets

Restricted assets include cash and cash equivalents that are related to the amounts that the School is required to segregate in connection with the issuance of bonds, including sinking fund and reserve requirements, as well as amounts segregated for capital projects of the School. The Indenture of Trust requires the establishment of the Funds for the bonds and accounts within such funds, all of which shall be special trust funds and accounts held by Trustee. At June 30, 2021 the composition of restricted balances is as follows:

	<u>Odyssey Charter School</u>	<u>Odyssey Preparatory Academy</u>	<u>Total</u>
<b><u>Debt Service Fund</u></b>			
Sinking Fund-Series 2017	\$ 826,109	\$ 253,074	\$ 1,079,183
<b>Total Debt Service Fund</b>	<b><u>\$ 826,109</u></b>	<b><u>\$ 253,074</u></b>	<b><u>\$ 1,079,183</u></b>
<b><u>Reserve for Capital Projects</u></b>			
Funds held by Trustee-Series 2017	\$ 1,084	\$ 178,002	\$ 179,086
<b>Total Reserves for Capital Projects</b>	<b><u>\$ 1,084</u></b>	<b><u>\$ 178,002</u></b>	<b><u>\$ 179,086</u></b>

Net position and Fund balance classifications

*Government-wide financial statements*

Equity is classified as net position and displayed in three (3) components:

- a) Net investment in capital assets- consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- b) Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments. Restricted net position of the School relates to the bond issue.
- c) Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

**Note 1 – Summary of Significant Accounting Policies (continued)**

When both restricted and unrestricted resources are available for a specific purpose, it is the District's policy to use restricted resources first, until exhausted, before using unrestricted resources.

*Fund financial statements*

Under GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

- a) Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- b) Restricted - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restricted balances of the School relate to the bond issuance
- c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification is intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year end.
- e) Unassigned - portion of the fund balance that has not been restricted, committed, or assigned for a specific purpose. This is the residual classification for the School's general fund.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

New Accounting Standard Adopted

As of July 1, 2020, the School implemented GASB Statement No. 84. Fiduciary Activities. This Statement establishes new criteria for identifying fiduciary activities which, when met, require that activities be reported in a fiduciary fund in the basic financial statements. The implementation of this new standard had no material impact on the School's financial statements.

**Odyssey Preparatory Academy**  
(A Charter School under Odyssey Charter School, Inc.)  
Notes to Financial Statements  
June 30, 2021

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**Note 2 –Capital Assets**

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2021:

	Balance 07/01/20	Additions	Reclassification/ Retirements	Balance 06/30/21
Capital Assets:				
Land	\$ 676,578	\$ -	\$ -	\$ 676,578
Capital assets, depreciable:				
Buildings and improvements	2,777,451	5,640	-	2,783,091
Computer equipment and software	144,472	-	-	144,472
Furniture, equipment and textbooks	706,684	138,313	-	844,997
Total Capital Assets	4,305,185	143,953	-	4,449,138
Less: Accumulated Depreciation				
Building and improvements	(326,671)	(99,350)	-	(426,021)
Computer equipment and software	(142,325)	(2,147)	-	(144,472)
Furniture, equipment and textbooks	(421,396)	(110,228)	-	(531,624)
	(890,392)	(211,725)	-	(1,102,117)
Capital Assets, net	<u>\$ 3,414,793</u>	<u>\$ (67,772)</u>	<u>\$ -</u>	<u>\$ 3,347,021</u>

For the fiscal year ended June 30, 2021, depreciation expense is allocated in the Statement of Activities by function as follows:

Instruction	\$ 72,305
Instructional media	8,702
Food services	1,627
Operation of plant	122,340
School administration	6,751
Total Depreciation Expense	<u>\$ 211,725</u>

**Note 3 – Management Agreement**

The School uses a professional charter school management company to provide management and administrative services to the School including, but not limited to: facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting and financial reporting. The School contracted with Green Apple School Management, LLC. The agreement with Green Apple School Management, LLC is for a period of five years through June 30, 2023 unless terminated, modified or renewed by the parties. The agreement between the School and the management company called for a fee of \$700 per full time equivalent (FTE) student for the school year ended June 30, 2021. During the year ended June 30, 2021, the School incurred \$291,900 in management fees.



**Note 4 – Transactions with District and Other Divisions of Odyssey Charter School, Inc.**

The School made a non-interest-bearing advance during the year to an affiliate. The following schedule provides a summary of changes in long-term receivables with other divisions of Odyssey Charter School for the year ended June 30, 2021.

	<u>Balance</u> <u>July 01, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>
Long-term Receivables				
Odyssey Charter School	\$ 94,130	\$ -	\$ (94,130)	\$ -
	<u>\$ 94,130</u>	<u>\$ -</u>	<u>\$ (94,130)</u>	<u>\$ -</u>

Pursuant to the Charter School contract with the District, the District withholds an administrative fee of 5% of the qualifying revenues of the School. For the year ended June 30, 2021, administrative fees withheld by the School District totaled \$93,215.

**Note 5 – Deposits Policy and Credit Risk**

It is the School’s policy to maintain its cash and cash equivalents in major banks and in high grade investments. As of June 30, 2021, the carrying amount of the School’s deposits was \$1,748,157.

Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Odyssey Charter School, Inc. which also operates various other charter schools. All bank accounts are opened under the account ownership of Odyssey Charter School, Inc. therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2021, bank balances in potential excess of FDIC coverage totaled approximately \$1,750,000, including restricted funds.

**Note 6 – Commitments, Contingencies and Concentrations**

Contingencies and Concentrations

The School receives substantially all of its funding from the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the School receives various federal, state, and local funds which is subject to financial and compliance audits. It is the opinion of management that the amount of revenue, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

**Note 7 – Long Term Debt**

Revenue Bond

On April 27, 2017, Educational Facilities Revenue Bonds, Series 2017A and 2017B – Capital Trust Agency (the “Issuer”) issued Educational Facilities Revenue Bonds (Odyssey Charter School Project), Series 2017A, in the aggregate principal amount of \$15,585,000 (the “Series 2017A Bonds”). Odyssey Charter School, Inc. issued Taxable Educational Facilities Revenue Bonds (Odyssey Charter School Projects) Series 2017B, in the aggregate principal amount of \$395,000 (the “Series 2017B Bonds”). The 2017B bonds were fully repaid in 2020. The bonds were used to (i) finance or refinance the costs of acquiring, constructing, and equipping certain charter school facilities (collectively, the “Facility”) for the School located within Brevard County, Florida., the land on which the School will be located (the “Site”), and improvements thereto (collectively the “Project”), (ii) fund a debt service reserve account for the Series 2017 Bonds, (iii) fund capitalized interest with respect to the Series 2017A Bonds, and (iv) pay certain costs of issuance of the Series 2017 Bonds. The Series 2017A Bonds are subject to mandatory and optional redemption prior to maturity. The bond funds were primarily utilized for the acquisition of one of the School’s current site located at 1350 Wyoming Drive, Palm Bay, Florida and to refinance the facilities located at 1755 Eldron Boulevard, S.E. Palm Bay, Florida. The remaining funds were used for bond issuance costs and various capital projects at both sites. The sites are shared between the School and Odyssey Charter School where each school records their pro rata share of the bonds as of the date of issuance (25.0% for the School and 75.0% for Odyssey Charter School).

Interest is payable annually on July 1. The bonds are secured by an Indenture of Trust dated as of April 1, 2017 between the Issuer and U.S. Bank National Association (the “Trustee”) pursuant to a resolution of the Issuer adopted on March 21, 2017. The issuer has no obligation for the debt beyond the resources provided by the facility. These Bonds are subject to interest rates ranging from 4.750% to 6.000%. The bonds were issued at par.

The bonds contain restrictive covenants related to debt service coverage ratio, days cash on hand requirements, student enrollment and reporting requirements. In the event of default, the maturity date can be accelerated and/or the underlying collateral may be subject to foreclosure. Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2022	\$ 265,000	\$ 810,525	\$ 1,075,525
2023	280,000	797,581	1,077,581
2024	295,000	783,925	1,078,925
2025	305,000	769,675	1,074,675
2026	320,000	754,831	1,074,831
2027-2031	1,875,000	3,511,744	5,386,744
2032-2036	2,445,000	2,939,665	5,384,665
2037-2041	3,210,000	2,180,632	5,390,632
2042-2046	4,220,000	1,166,826	5,386,826
2047-2048	2,040,000	113,850	2,153,850
	<u>\$ 15,255,000</u>	<u>\$ 13,829,254</u>	<u>\$ 29,084,254</u>

**Odyssey Preparatory Academy**  
(A Charter School under Odyssey Charter School, Inc.)  
Notes to Financial Statements  
June 30, 2021

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**Note 7 – Long Term Debt (continued)**

Capital Leases

The School leases certain office and kitchen equipment under capital leases with a gross value of \$46,090 recorded in fixed assets (\$31,740 recorded to School Administration and \$14,350 recorded to Instruction) with accumulated depreciation totaling \$9,218 (\$6,348 recorded to School Administration and \$2,870 recorded to Instruction). The assets and liabilities under the capital leases are recorded at the lower of the present value of the future minimum lease payments or the fair value of the assets. Minimum future lease payments under such leases are as follows:

Year ending	Principal	Interest	Payments
2022	\$ 11,110	\$ 391	\$ 11,501
2023	11,341	161	11,502
2024	6,367	25	6,392
2025	6,382	9	6,391
Total future minimum payments	\$ 35,200	\$ 586	\$ 35,786

Total interest expense as of June 30, 2021 was \$163,973.

Paycheck Protection Program Loan

On April 20, 2020, Odyssey Charter School, Inc., was granted a loan from a financial institution in the aggregate amount of \$2,162,200, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The loan, which was in the form of a note dated April 20, 2020 issued by Odyssey Charter School, Inc., matures on April 20, 2022 and bears interest at a rate of 1.00% per annum, payable monthly commencing on November 5, 2020 with interest accruing during the deferral period (April 20, 2020 – November 5, 2020). The Note may be prepaid at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The loan proceeds were allocated to the School, Odyssey Charter School and Odyssey Charter School, Inc., based on average payroll. The School was allocated an additional \$194,437 for a total outstanding balance of \$403,880 all of which was used for payroll expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The School utilized 100% of the funds during the school year and prior to the end of the covered period. The forgiveness application was submitted on November 17, 2020 and is still pending final determination. If the PPP loan is not forgiven, the principal balance of \$403,880 plus accrued interest will be due in 2022.

**Odyssey Preparatory Academy**  
(A Charter School under Odyssey Charter School, Inc.)  
Notes to Financial Statements  
June 30, 2021

**Note 7 – Long Term Debt (continued)**

The composition of long-term debt as of June 30, 2021 is as follows:

	<u>Balance</u> <u>July 01, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>
Bond Payable	\$ 3,790,934	\$ -	\$ (54,774)	\$ 3,736,160
Note Payable-PPP	209,443	194,437	-	403,880
Capital Leases	11,285	46,090	(22,175)	35,200
	<u>\$ 4,011,662</u>	<u>\$ 240,527</u>	<u>\$ (76,949)</u>	<u>\$ 4,175,240</u>

**Note 8 – Interfund Transfers and Balances**

Interfund transfers are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
To fund debt service fund for principal and interest payments	\$ -	\$ -	\$ 240,922	\$ (240,922)
Transfer to General Fund from Special Revenue Fund for PPP related expenses	194,437	(194,437)	-	-
Reimburse General Fund for lunch related expenses	18,566	(18,566)	-	-
Total Transfers, net	<u>\$ 213,003</u>	<u>\$ (213,003)</u>	<u>\$ 240,922</u>	<u>\$ (240,922)</u>

Due from/ (Due to) fund balances are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
Due to General Fund from Capital Projects Fund for capital outlay	\$ 22,964	\$ -	\$ -	\$ (22,964)
Due to General Fund from Special Revenue Fund for Title I	107,301	(107,301)	-	-
Due to General Fund from Special Revenue Fund for IDEA Grant	8,381	(8,381)	-	-
Total Due from/(Due to)	<u>\$ 138,646</u>	<u>\$ (115,682)</u>	<u>\$ -</u>	<u>\$ (22,964)</u>

**Note 9 – Risk Management**

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year.

**Note 10 – Defined Contribution Retirement Plan**

The School sponsors a defined contribution plan for all full-time employees working 35 hours or more a week and who have been employed for at least one year. The plan permits voluntary contributions from employees, based on a salary reduction agreement, and provides a matching contribution up to 3% of the employee's compensation, after one year of employment. The School contributed to the Plan \$15,132 for the year ended June 30, 2021.

**REQUIRED SUPPLEMENTARY INFORMATION**

Odyssey Preparatory Academy  
(A charter school under Odyssey Charter School, Inc.)  
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund  
For the year ended June 30, 2021

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 2,922,879	\$ 3,130,475	\$ 3,130,474
Charges for services	-	20,850	20,856
Other revenues	4,340	3,400	3,391
Total Revenues	2,927,219	3,154,725	3,154,721
<b>EXPENDITURES</b>			
Current:			
Instruction	1,722,049	1,977,412	1,841,059
Student support services	500	10,909	10,909
Instructional media services	4,340	91	91
Instructional staff training services	4,000	6,400	6,398
Instructional related technology	46,495	64,525	64,533
School administration	754,033	732,825	732,828
Fiscal services	48,240	28,275	28,272
Pupil transportation services	135,000	127,350	127,343
Operation of plant	240,337	102,950	102,945
Maintenance of plant	31,500	9,450	9,432
Community services	-	18,165	18,164
Total current expenditures	2,986,494	3,078,352	2,941,974
Excess/(Deficit) of revenues over current expenditures	(59,275)	76,373	212,747
Capital outlay:			
Other capital outlay	53,370	67,195	67,193
Total Capital outlay and debt service expenditures	53,370	67,195	67,193
Total expenditures	3,039,864	3,145,547	3,009,167
Excess/(Deficit) of revenues over expenditures	(112,645)	9,178	145,554
Other financing sources:			
Decrease in long term receivables	-	94,130	94,130
Proceeds from capital lease	-	46,100	46,090
Transfers in and (out)	209,418	213,360	213,003
Net change in fund balance	96,773	362,768	498,777
Fund balance at beginning of year	775,125	775,125	775,125
Fund balance at end of year	\$ 871,898	\$ 1,137,893	\$ 1,273,902

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

Odyssey Preparatory Academy  
(A charter school under Odyssey Charter School, Inc.)  
Statement of Revenues, Expenditures, and Changes in Fund Balance -Special Revenue Fund  
For the year ended June 30, 2021

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	\$ 374,557	\$ 361,800	\$ 498,146
Federal lunch program	298,000	136,350	136,353
Charges for services	14,500	68,925	68,575
Total Revenues	<u>687,057</u>	<u>567,075</u>	<u>703,074</u>
EXPENDITURES			
Current:			
Instruction	140,138	71,750	208,109
Student support services	87,100	82,900	82,903
Instructional and curriculum development services	119,070	112,925	112,918
Instructional staff training services	5,486	2,500	2,500
Instructional related technology	-	10,375	10,367
Food services	312,500	186,362	186,362
Pupil transportation services	-	780	780
Operation of plant	22,763	3,800	3,809
Total current expenditures	<u>687,057</u>	<u>471,392</u>	<u>607,748</u>
Excess of revenues			
Over current expenditures	<u>-</u>	<u>95,683</u>	<u>95,326</u>
Capital outlay:			
Other capital outlay	-	76,760	76,760
Total expenditures	<u>687,057</u>	<u>548,152</u>	<u>684,508</u>
Excess/(Deficit) of revenues over expenditures	-	18,923	18,566
Other financing sources:			
Proceeds from Paycheck Protection Program	209,418	194,437	194,437
Transfers in and (out)	(209,418)	(213,360)	(213,003)
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

Odyssey Preparatory Academy

(A charter school under Odyssey Charter School, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Debt Service Fund

For the year ended June 30, 2021

	Debt Service Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Other revenues	\$ -	\$ 20	\$ 14
Total Revenues	-	20	14
EXPENDITURES			
Current:			
Instruction	-	-	-
Total current expenditures	-	-	-
Excess of revenues	-	-	-
Over current expenditures	-	20	14
Capital outlay:			
Other capital outlay	-	-	-
Debt service:			
Repayment of principal	75,000	76,950	76,949
Interest	166,200	163,975	163,973
Total Capital Outlay and Debt Service Expenditures	241,200	240,925	240,922
Excess/(Deficit) of revenues over expenditures	(241,200)	(240,905)	(240,908)
Other financing sources:			
Transfers in and (out)	241,200	240,925	240,922
Net change in fund balance	-	20	14
Fund balance at beginning of year	253,060	253,060	253,060
Fund balance at end of year	\$ 253,060	\$ 253,080	\$ 253,074

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.



Odyssey Preparatory Academy  
(A charter school under Odyssey Charter School, Inc.)  
Statement of Revenues, Expenditures, and Changes in Fund Balance - Capital Projects Fund  
For the year ended June 30, 2021

	Capital Projects Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State capital outlay funding	\$ 241,200	\$ 433,245	\$ 433,243
Other revenue	-	-	-
Total Revenues	241,200	433,245	433,243
EXPENDITURES			
Current:			
Operation of plant	-	152,450	152,452
Maintenance of plant	-	-	-
Total current expenditures	-	152,450	152,452
Excess of revenues			
Over current expenditures	241,200	280,795	280,791
Capital outlay:			
Other capital outlay	-	-	-
Total expenditures	-	152,450	152,452
Excess of revenues			
Over expenditures	241,200	280,795	280,791
Other financing sources:			
Transfers in/(out)	(241,200)	(240,925)	(240,922)
Net change in fund balance	-	39,870	39,869
Fund balance at beginning of year	\$ 138,133	\$ 138,133	\$ 138,133
Fund balance at end of year	\$ 138,133	\$ 178,003	\$ 178,002

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.



INDEPENDENT AUDITORS' 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*

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Board of Directors of  
Odyssey Preparatory Academy  
Palm Bay, Florida

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 financial statements of the governmental activities and each major fund of Odyssey Preparatory Academy (the "School") as of, and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's 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 determination of financial statement amounts. 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*.

We issued a separate management letter dated August 30, 2021 pursuant to Chapter 10.850, Rules of the Auditor General.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
August 30, 2021



## MANAGEMENT LETTER

Board of Directors of  
Odyssey Preparatory Academy  
Palm Bay, Florida

### **Report on the Financial Statements**

We have audited the financial statements of Odyssey Preparatory Academy, Florida as of and for the fiscal year ended June 30, 2021 and have issued our report thereon dated August 30, 2021.

### **Auditor's Responsibility**

We conducted our audit 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.

### **Other Reporting Requirements**

We have conducted our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, which are dated August 30, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no findings and recommendations made in the preceding annual financial audit report.

### **Official Title**

Section 10.854.(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Odyssey Preparatory Academy, 6541.

## **Financial Condition and Management**

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not Odyssey Preparatory Academy has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Odyssey Preparatory Academy did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for Odyssey Preparatory Academy. It is management's responsibility to monitor Odyssey Preparatory Academy's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether Odyssey Preparatory Academy maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Odyssey Preparatory Academy maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

## **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, require us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, School Board of Brevard County, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.



Coral Gables, Florida  
August 30, 2021

CERTIFIED PUBLIC ACCOUNTANTS