



Odyssey Charter School
(A charter school under
Odyssey Charter School, Inc.)
**(A Charter School and Component Unit
of the School Board of Brevard County, Florida)**

W/L #6507
Palm Bay, Florida

Financial Statements and
Independent Auditors' Report

June 30, 2022

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Odyssey Charter School
(A charter school under Odyssey Charter School, Inc.)
W/L# 6507

1755 Eldron Blvd S.E.
Palm Bay, FL 32909

2021-2022

BOARD OF DIRECTORS

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

SCHOOL ADMINISTRATION

Gayle Iacono, Jr. /Sr. High Site Administrator
Wendi Nolder, Elementary Site Administrator



INDEPENDENT AUDITORS' REPORT

Board of Directors
Odyssey Charter School
Palm Bay, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Odyssey Charter School (the "School"), a charter school under Odyssey Charter School, Inc. , and a component unit of the School Board of Brevard County, as of, and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise the School's basic financial statements as listed in the table of contents.

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 Charter School as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Odyssey Charter School, Inc. 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Odyssey Charter School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 opinions. 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 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 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 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 School'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School'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.

Emphasis of a Matter – Change in Accounting Principle

As described in Note 7 to the financial statements, in 2022, the School adopted a new accounting guidance, GASB Statement No, 87, *Leases*. Our opinion is not modified with respect to this matter.

Emphasis of a Matter – Presentation

As described in Note 1, the accompanying financial statements referred to above present only the financial position and change in financial position of Odyssey Charter School that is attributable to the transactions of the School 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, 2022 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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 5 through 9 and 31 to 32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2022 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 financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 30, 2022

Management's Discussion and Analysis
Odyssey Charter School
(A Charter School Under Odyssey Charter School, Inc.)
June 30, 2022

The corporate officers of Odyssey Charter School have prepared this narrative overview and analysis of the school's financial activities for the year ended June 30, 2022.

Financial Highlights

1. The net position of the School at June 30, 2022 was \$7,171,281.
2. At year-end, the School had current assets on hand of \$8,317,521.
3. The School had an increase in net position of \$2,156,705 for the year ended June 30, 2022.
4. The unassigned fund balance at year end was \$4,150,711.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2022 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 10 - 11 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 12 – 15 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 16 - 30 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 \$7,171,281 at the close of the fiscal year. A summary of the School's net position as of June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Cash	\$ 4,958,103	\$ 3,739,578
Restricted cash held by trustee	2,532,229	3,038,585
Due from other divisions of Odyssey Charter School, Inc.	96,741	291,469
Deposits receivable	237,224	30,599
Due from other agencies	493,224	582,907
Capital and right of use assets, net	<u>22,900,908</u>	<u>22,868,008</u>
Total Assets	<u>31,218,429</u>	<u>30,551,146</u>
Deferred Outflows	<u>-</u>	<u>-</u>
Accounts payable and accrued liabilities	1,397,357	1,074,252
Due to other divisions of Odyssey Charter School, Inc.	-	17,260
Long term liabilities	<u>22,649,791</u>	<u>24,445,058</u>
Total Liabilities	<u>24,047,148</u>	<u>25,536,570</u>
Deferred Inflows	<u>-</u>	<u>-</u>
Net Position:		
Net investment in capital assets and long term receivables	580,833	468,069
Restricted by bonds	2,532,229	3,038,585
Unrestricted (deficit)	<u>4,058,219</u>	<u>1,507,922</u>
Total Net Position	<u>\$ 7,171,281</u>	<u>\$ 5,014,576</u>

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, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
REVENUES		
Program Revenues		
Capital grants and contributions	\$ 2,563,361	\$ 1,749,287
Federal sources	3,120,937	1,560,340
Federal lunch program	1,026,773	582,461
Charges for services	323,686	249,690
General Revenues		
FTE and other nonspecific revenues	13,011,704	11,609,415
Other revenues	78,711	100,029
Total Revenues	<u>20,125,172</u>	<u>15,851,222</u>
EXPENSES		
Component Unit Activities:		
Instruction	8,653,255	8,007,168
Student support services	245,706	173,610
Instructional media services	9,447	268
Instructional and curriculum development services	170,636	166,138
Instructional staff training	29,025	25,458
Instructional related technology	497,732	407,543
School administration	2,973,258	2,681,494
Fiscal services	97,060	134,349
Food services	944,308	807,347
Pupil transportation services	781,993	563,516
Operation of plant	2,029,553	1,612,616
Maintenance of plant	187,652	120,043
Community services	201,394	115,895
Debt service	1,147,448	1,174,515
Total Expenses	<u>17,968,467</u>	<u>15,989,960</u>
Change in Net Position	2,156,705	(138,738)
Net Position at Beginning of Year	<u>5,014,576</u>	<u>5,153,314</u>
Net Position at End of Year	<u>\$ 7,171,281</u>	<u>\$ 5,014,576</u>

The School's revenue increased by \$4,273,950 in the current year and expenses increased by \$1,978,507 as a result of a increased in student enrollment and an increase in federal funding and PPP loan forgiveness. The School had an increase in its net position of \$2,156,705 for the year.

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 \$4,387,935. The fund balance unassigned and available for spending at the School's discretion is \$4,150,711. These funds will be available for the School's future operations.

Achievements 2021-2022

Over the past year, Odyssey has continued to grow our high school, increasing more than one hundred students in grades 6-12. We also continue to have strong student performance, with the elementary grades achieving an "A" grade and the Jr/Sr High achieving a "B" grade, with an overall grade of "B," placing the school in the top schools in the area once again. With a graduation rate of 97%, 7th grade Civics proficiency score of 90% (in the top 10% of the state), and 3rd, 4th, and 5th English Language Arts proficiency top in the city, we continue to take pride in our student performance levels. We were happy to welcome all of our students back into our buildings following COVID, but continued to offer our Canvas Online Learning platform for students who may be out ill to be able to access learning from home, while also providing parents a window into what their child is learning. Teachers utilized Canvas to help organize their teaching resources for the day and to project lesson content within the classrooms. Our GATEway Gifted and Talented Program has serves over 75 students in 2nd through 5th grades, and in the spring held a Passion Project event for families to present their research. One of the major change at the school, including moving all four of our VPK/Preschool classrooms into the Eldron campus, reaching our capacity of fours classrooms per grade level in VPK/Preschool through 5th grade. In the spring of 2022, we also finished the expansion of our Primary Playground and construction on our Intermediate Playground at OCS Elementary (K-5). We are thrilled to have 8 of 11 OCS Elementary students place at the District Science Fair and proud that our Varsity Girls Bowling Team were 8th in the state.

Capital Assets

The School's investment in capital assets (including right of use assets) as of June 30, 2022 amounts to \$22,900,908 (net of accumulated depreciation and amortization). This investment in capital assets includes building and improvements, vehicles, furniture, fixtures and computer equipment. As of June 30, 2022, the School had long term liabilities totaling \$22,649,791 relating to capital assets.

Continuous Capital Improvements

The School had various uncompleted construction contracts in connection with building improvements.

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 (general fund, special revenue fund, capital projects fund and debt service fund) to demonstrate compliance with the School's budget.

	Original Budget	Final Budget	Actual
REVENUES			
Program Revenues			
Capital grants and contributions	\$ 1,890,171	\$ 2,563,360	\$ 2,563,361
Federal sources	1,568,292	3,120,935	3,120,937
Federal lunch program	1,020,000	1,026,775	1,087,185
Charges for services	-	263,275	263,274
General Revenues			
FTE and Other Nonspecific Revenues	13,480,105	13,011,705	13,011,704
Other Revenues	302,100	78,715	78,711
Total Revenues	<u>18,260,668</u>	<u>20,064,765</u>	<u>20,125,172</u>
EXPENDITURES			
Component Unit Activities:			
Instruction	8,148,146	8,424,780	8,424,781
Student support services	183,398	245,705	245,706
Instructional media services	6,500	9,450	9,447
Instructional and curriculum development services	182,413	170,635	170,636
Instructional staff training	75,500	29,025	29,025
Instructional related technology	583,919	497,735	497,732
School administration	3,055,187	2,906,210	2,906,207
Fiscal services	173,606	97,065	97,060
Food services	1,146,735	912,685	912,686
Pupil transportation services	686,771	620,300	620,309
Operation of plant	1,251,578	1,165,075	1,165,073
Maintenance of plant	192,500	187,650	187,652
Community services	411,791	201,400	201,394
Total Expenditures (before capital outlay and debt service)	<u>16,098,044</u>	<u>15,467,715</u>	<u>15,467,708</u>
Capital outlay	-	1,386,210	1,386,211
Repayment of principal on notes payable	475,000	501,510	501,508
Interest expense	1,149,338	1,179,570	1,179,568
Total Expenditures	<u>\$ 17,722,382</u>	<u>\$ 18,535,005</u>	<u>\$ 18,534,995</u>

Most variances occurred as a result of increasing actual revenues when compared to budgeted figures.

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 Charter School
(A charter school under Odyssey Charter School, Inc.)
Statement of Net Position
June 30, 2022

	<u>Primary Government Governmental Activities</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 4,958,103
Restricted cash held by trustee	2,532,229
Due from other divisions of Odyssey Charter School, Inc.	96,741
Due from other agencies	493,224
Deposits receivable and prepaid expenses	<u>237,224</u>
	8,317,521
Capital assets, net:	
Land and construction in progress, non depreciable	2,790,745
Capital assets, depreciable	28,209,799
Less: accumulated depreciation	(8,254,022)
Right-of-use lease asset	225,900
Less: accumulated amortization	<u>(71,514)</u>
	22,900,908
Total Assets	<u>31,218,429</u>
<u>Deferred Outflows of Resources</u>	
	<u>-</u>
<u>Liabilities</u>	
Current liabilities:	
Salaries and wages payable	1,106,717
Accounts payable and accrued expenses	290,640
Notes payable within one year	145,334
Lease obligations payable within one year	56,923
Bonds payable within one year	<u>235,000</u>
	1,834,614
Long-term Liabilities:	
Due to other divisions of Odyssey Charter School, Inc.	-
Notes payable	226,682
Lease obligations	69,693
Bonds payable	<u>21,916,159</u>
Total Liabilities	24,047,148
<u>Deferred Inflows of Resources</u>	
	<u>-</u>
<u>Net position</u>	
Net investment in capital assets and long term receivables	580,833
Restricted by bonds for:	
Capital Projects	1,141,709
Debt Service	1,390,520
Unrestricted	<u>4,058,219</u>
Total Net Position	<u>\$ 7,171,281</u>

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

Odyssey Charter School
(A charter school under Odyssey Charter School, Inc.)
Statement of Activities
For the year ended June 30, 2022

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
Instruction	\$ 8,653,255	\$ -	\$ 2,624,966	\$ -	\$ (6,028,289)
Student support services	245,706	-	176,058	-	(69,648)
Instructional media services	9,447	-	-	-	(9,447)
Instructional and curriculum development services	170,636	-	183,440	-	12,804
Instructional staff training	29,025	-	29,025	-	-
Instructional related technology	497,732	-	75,742	-	(421,990)
School administration	2,973,258	-	26,490	-	(2,946,768)
Fiscal services	97,060	-	-	-	(97,060)
Food services	944,308	60,412	1,026,773	-	142,877
Pupil transportation services	781,993	-	5,216	-	(776,777)
Operation of plant	2,029,553	-	-	2,563,361	533,808
Maintenance of plant	187,652	-	-	-	(187,652)
Community services	201,394	263,274	-	-	61,880
Debt service	1,147,448	-	-	-	(1,147,448)
Total governmental activities	17,968,467	323,686	4,147,710	2,563,361	(10,933,710)
General revenues:					
FTE and other nonspecific revenues					13,011,704
Interest and other revenue					78,711
					<hr/>
Change in net position					2,156,705
					<hr/>
Net position, beginning					5,014,576
Net position, ending					<u>\$ 7,171,281</u>

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

Odyssey Charter School
(A charter school under Odyssey Charter School, Inc.)
Balance Sheet - Governmental Funds
June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 4,958,103	\$ -	\$ -	\$ -	\$ 4,958,103
Restricted cash held by trustee	-	-	1,390,520	1,141,709	2,532,229
Due from other divisions of Odyssey Charter Schoo	96,741	-	-	-	96,741
Due from other agencies	53,059	349,828	-	90,337	493,224
Deposits receivable and prepaid expenses	237,224	-	-	-	237,224
Due from funds	440,165	-	-	-	440,165
Total Assets	<u>5,785,292</u>	<u>349,828</u>	<u>1,390,520</u>	<u>1,232,046</u>	<u>8,757,686</u>
<u>Deferred Outflows of Resources</u>					
	-	-	-	-	-
<u>Liabilities</u>					
Salaries and wages payable	1,106,717	-	-	-	1,106,717
Accounts payable and accrued expenses	290,640	-	-	-	290,640
Due to funds	-	349,828	-	90,337	440,165
Total Liabilities	<u>1,397,357</u>	<u>349,828</u>	<u>-</u>	<u>90,337</u>	<u>1,837,522</u>
<u>Deferred Inflows of Resources</u>					
	-	-	-	-	-
<u>Fund balance</u>					
Nonspendable, not in spendable form	237,224	-	-	-	237,224
Restricted by bonds	-	-	1,390,520	1,141,709	2,532,229
Unassigned	4,150,711	-	-	-	4,150,711
	<u>4,387,935</u>	<u>-</u>	<u>1,390,520</u>	<u>1,141,709</u>	<u>6,920,164</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 5,785,292</u>	<u>\$ 349,828</u>	<u>\$ 1,390,520</u>	<u>\$ 1,232,046</u>	<u>\$ 8,757,686</u>

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

Odyssey Charter School
(A charter school under Odyssey Charter School, Inc.)
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
For the year ended June 30, 2022

Total Fund Balance - Governmental Funds \$ 6,920,164

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

Capital assets of \$31,226,444 net of accumulated depreciation of \$8,325,536 used in governmental activities are not financial resources and therefore are not reported in the fund. 22,900,908

Long term liabilities are not due and payable in the current period and, therefore, is not reported in the governmental funds. (22,649,791)

Total Net Position - Governmental Activities \$ 7,171,281

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

Odyssey Charter School

(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, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues:					
State capital outlay funding	\$ -	\$ -	\$ -	\$ 2,563,361	\$ 2,563,361
State passed through local	13,011,704	-	-	-	13,011,704
Federal sources	-	3,120,937	-	-	3,120,937
Federal lunch program	-	1,026,773	-	-	1,026,773
Charges for services	263,274	60,412	-	-	323,686
Other revenue	78,711	-	-	-	78,711
Total Revenues	13,353,689	4,208,122	-	2,563,361	20,125,172
Expenditures:					
Current					
Instruction	7,683,757	741,024	-	-	8,424,781
Student support services	69,648	176,058	-	-	245,706
Instructional media services	9,447	-	-	-	9,447
Instructional and curriculum development services	(12,804)	183,440	-	-	170,636
Instructional staff training	-	29,025	-	-	29,025
Instructional related technology	421,990	75,742	-	-	497,732
School administration	2,879,717	26,490	-	-	2,906,207
Fiscal services	97,060	-	-	-	97,060
Food services	-	912,686	-	-	912,686
Pupil transportation services	615,093	5,216	-	-	620,309
Operation of plant	1,165,073	-	-	-	1,165,073
Maintenance of plant	187,652	-	-	-	187,652
Community services	201,394	-	-	-	201,394
Capital Outlay:					
Other capital outlay	1,043,697	274,991	-	-	1,318,688
Right of use lease assets	67,523	-	-	-	67,523
Debt Service:					
Repayment of principal	-	-	501,508	-	501,508
Interest	-	-	1,179,568	-	1,179,568
Total Expenditures	14,429,247	2,424,672	1,681,076	-	18,534,995
Excess (deficit) of revenues over expenditures	(1,075,558)	1,783,450	(1,681,076)	2,563,361	1,590,177
Other financing sources:					
Forgiveness of PPP Loan	-	-	(1,604,456)	-	(1,604,456)
Proceeds from notes payable	207,982	-	-	-	207,982
Increase in lease liability	134,835	-	-	-	134,835
Transfers in and (out)	1,567,635	(1,783,450)	3,268,929	(3,053,114)	-
Net change in fund balance	834,894	-	(16,603)	(489,753)	328,538
Fund Balance at beginning of year	3,553,041	-	1,407,123	1,631,462	6,591,626
Fund Balance at end of year	\$ 4,387,935	\$ -	\$ 1,390,520	\$ 1,141,709	\$ 6,920,164

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

Odyssey Charter School
(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, 2022

Net Change in Fund Balance - Governmental Funds \$ 328,538

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, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$1,386,211 exceeded depreciation and amortization expense of \$1,353,311. 32,900

Increases in long term payables provide current financial resources to governmental funds, but a decrease or repayment of such payables reduces long-term liabilities in the statement of net position. This is the amount by which increases in long term liabilities of \$342,817 differed from decreases of \$2,138,084 (including amortization) in the current period. 1,795,267

Change in Net Position of Governmental Activities \$ 2,156,705

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

Odyssey Charter School

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

Notes to Financial Statements

June 30, 2022

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Odyssey Charter School (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, 2027 and is renewable 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 twelfth grades and is funded by the District. These financial statements are for the year ended June 30, 2022, during which 1,806 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) 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.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources (continued)

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.

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

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.

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 uses 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.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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.

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 Liabilities

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.

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

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.

The right to use assets are initially measure at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Estimated useful lives, in years, for capital assets are as follows:

Building and improvements	5-39 Years
Vehicles	10 Years
Software, Furniture, equipment, and library	3-10 Years
Right-of-use asset (furniture and equipment)	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. 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.

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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.

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.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

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, 2022, 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, 2022 the composition of restricted balances is as follows:

	<u>Odyssey Charter School</u>	<u>Odyssey Preparatory Academy</u>	<u>Total</u>
<u>Debt Service Fund</u>			
Sinking Fund-Series 2017 & 2019	\$ 1,390,520	\$ 269,830	\$ 1,660,350
Total Debt Service Fund	\$ 1,390,520	\$ 269,830	\$ 1,660,350
<u>Reserve for Capital Projects</u>			
Capital Projects Fund-Series 2017 & 2019	\$ 1,141,709	\$ 178,002	\$ 1,319,711
Total Reserves for Capital Projects	\$ 1,141,709	\$ 178,002	\$ 1,319,711

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 and long term receivables - consists of capital assets net of accumulated depreciation and long term receivables 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 relate 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 and long term receivables."

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 sources.

Note 1 – Summary of Significant Accounting Policies (continued)

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 fund balance of the School pertain 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 are 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.

Pronouncements Issued But Not Yet Effective

GASB has issued GASBS Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Odyssey Charter School
(A Charter School under Odyssey Charter School, Inc.)
Notes to Financial Statements
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

New Accounting Standard Adopted

In fiscal year 2022, the School adopted a new statement of financial accounting standard issued by Governmental Accounting Standards Board: Statement No. 87 Leases. See Note 7.

In fiscal year 2022, the School adopted GASB issued Statement No. 92, Omnibus. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Certain requirements of this Statement are effective immediately and others for reporting periods beginning after June 15, 2021. These changes were incorporated in the School's 2022 financial statements and had no effect.

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, 2022:

	Balance 7/1/2021	Additions	Reclassifications Retirements	Balance 6/30/2022
Capital Assets, non-depreciable:				
Land	\$ 2,295,370	\$ -	\$ -	\$ 2,295,370
Construction in Progress	-	495,375	-	495,375
	<u>2,295,370</u>	<u>495,375</u>	<u>-</u>	<u>2,790,745</u>
Capital Assets, depreciable:				
Building and improvements	22,574,806	251,959	-	22,826,765
Vehicles	1,147,130	379,232	-	1,526,362
Furniture and equipment	3,801,868	192,122	(158,377)	3,835,613
Computer Software	21,059	-	-	21,059
Total depreciable and non-depreciable assets	<u>29,840,233</u>	<u>1,318,688</u>	<u>(158,377)</u>	<u>31,000,544</u>
Less: Accumulated Depreciation				
Building and improvements	(4,101,381)	(783,182)	-	(4,884,563)
Vehicles	(466,157)	(163,184)	-	(629,341)
Furniture and equipment	(2,383,628)	(362,852)	27,421	(2,719,059)
Computer Software	(21,059)	-	-	(21,059)
Total accumulated depreciation	<u>(6,972,225)</u>	<u>(1,309,218)</u>	<u>27,421</u>	<u>(8,254,022)</u>
Total depreciable and non-depreciable assets, net	<u>\$ 22,868,008</u>	<u>\$ 9,470</u>	<u>\$ (130,956)</u>	<u>\$ 22,746,522</u>
Lease Assets:				
Furniture and equipment, right-of-use	\$ -	\$ 67,523	\$ 158,377	\$ 225,900
Less: accumulated amortization	-	(44,093)	(27,421)	(71,514)
Total leased assets, net	<u>-</u>	<u>23,430</u>	<u>130,956</u>	<u>154,386</u>
Governmental Activities Capital Assets, net	<u>\$ 22,868,008</u>	<u>\$ 32,900</u>	<u>\$ -</u>	<u>\$ 22,900,908</u>

Odyssey Charter School
(A Charter School under Odyssey Charter School, Inc.)
Notes to Financial Statements
June 30, 2022

Note 2 –Capital Assets (continued)

For the fiscal year ended June 30, 2022, depreciation and amortization expense is allocated in the Statement of Activities by function as follows:

	<u>Depreciation</u>	<u>Amortization</u>
Instruction	\$ 222,951	\$ 5,523
School Administration	28,481	38,570
Food Services	31,622	-
Pupil Transportation	161,684	-
Operation of Plant	864,480	-
Total Expense	<u>\$ 1,309,218</u>	<u>\$ 44,093</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. On July 1, 2018, 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 both called for a fee of \$700 per full time equivalent (FTE) student for the school year ended June 30, 2022. During the year ended June 30, 2022, the School incurred \$1,263,500 in management fees. Green Apple School Management, LLC is located at 1900 S. Harbor City Blvd., Suite 120, Melbourne, FL 32901. The managing member is Constance Ortiz.

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

The School shares facilities with Odyssey Preparatory Academy and management allocates certain shared expenses pro rata based on FTE. As of year ed June 30, 2022, the School had \$28,472 due from Odyssey Preparatory Academy in connection with these expenses. In addition, the School has approximately \$70,000 due from Odyssey Charter School, Inc. in connection with bond payments.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 2% of the qualifying revenues of the School. For the year ended June 30, 2022, administrative fees withheld by the School District totaled \$36,536.

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, 2022, the carrying amount of the School’s deposits was \$6,766,185.

Note 5 – Deposits Policy and Credit Risk (continued)

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 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, 2022, bank balances in potential excess of FDIC coverage totaled approximately \$6,770,000, including restricted funds.

Note 6 – Commitments, Contingencies and Concentrations

As of June 30, 2022 the School had uncompleted construction contracts in connection with building improvements. The total uncompleted contracts are approximately \$282,000 and the total amount capitalized as a part of construction in progress was approximately \$185,000. As of June 30, 2022, the remaining balance to complete on the contracts is approximately \$97,000.

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 forms of federal, state and local funding which are subject to financial and compliance audits. It is the opinion of management that the amount of funding, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

Note 7 – Long Term Liabilities

2017 Revenue Bonds

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”).

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 Series 2017B are subject to mandatory redemption prior to maturity. The bond funds were primarily utilized for the acquisition of one of the School’s current sites 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.

Note 7 – Long Term Liabilities (continued)

The sites are shared between the School and Odyssey Preparatory Academy where each school records their pro rata share of the bonds as of the date of issuance (75.0% for the School and 25.0% for Odyssey Preparatory Academy).

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.

2019 Revenue Bonds

On September 1, 2019, Educational Facilities Revenue Bonds, Series 2019 – Capital Trust Agency (the “Issuer”) issued Educational Facilities Revenue Bonds (Odyssey Charter School Project), Series 2019, in the aggregate principal amount of \$11,000,000 (the “Series 2019 Bonds”). The bonds were used to (i) finance or refinance the costs of acquiring, vacant land adjacent to the Eldron site, (ii) further develop and improve the Eldron site with additional classrooms, offices space, testing areas, sports field and parking lot expansion (the “Eldron Improvements”), (iii) development and improvement of the Wyoming site with the construction of a gymnasium, performing arts facility, student courtyard and sports field (“Wyoming Improvements”), (iv) fund certain reserves, (v) pay costs of issuance relating to the Series 2019 Bonds. The Series 2019 Bonds are subject to mandatory and optional redemption prior to maturity.

Interest is payable semi-annually on January 1 and July 1. The bonds are secured by an Indenture of Trust dated as of September 1, 2019 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 an interest rate of 5.00%. The bonds were issued at a premium in the amount of \$1,124,206. The bond premium net of accumulated amortization as of June 30, 2022 was \$1,033,199.

The Series 2017 and 2019 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.

Odyssey Charter School
(A Charter School under Odyssey Charter School, Inc.)
Notes to Financial Statements
June 30, 2022

Note 7 – Long Term Liabilities (continued)

Revenue bond debt service requirements to maturity are as follows:

Series 2017A Bond:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
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	340,000	739,156	1,079,156
2028-2032	1,975,000	3,411,557	5,386,557
2033-2037	2,580,000	2,804,618	5,384,618
2038-2042	3,390,000	2,000,248	5,390,248
2043-2047	4,455,000	928,263	5,383,263
2048-2049	1,050,000	28,875	1,078,875
Total	<u>\$ 14,990,000</u>	<u>\$ 13,018,729</u>	<u>\$ 28,008,729</u>

Series 2019 Bond:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2023	\$ 25,000	\$ 547,875	\$ 572,875
2024	25,000	546,625	571,625
2025	35,000	545,125	580,125
2026	35,000	543,375	578,375
2027	30,000	541,750	571,750
2028-2032	190,000	2,681,750	2,871,750
2033-2037	250,000	2,627,250	2,877,250
2038-2042	315,000	2,557,375	2,872,375
2043-2047	405,000	2,467,625	2,872,625
2048-2052	5,155,000	1,903,625	7,058,625
2053-2055	4,505,000	345,125	4,850,125
Total	<u>\$ 10,970,000</u>	<u>\$ 15,307,500</u>	<u>\$ 26,277,500</u>

Odyssey Charter School
(A Charter School under Odyssey Charter School, Inc.)
Notes to Financial Statements
June 30, 2022

Note 7 – Long Term Liabilities (continued)

Note Payable

The school various note payables to acquire school buses. The notes payable to financial institutions is as follows:

Obligations (Vehicles)	Rate	Maturity Date	June 30, 2022
\$172,457 note payable to acquire 2 school buses	2.30%	September 15, 2024	\$ 103,641
\$249,844 note payable to acquire 2 school buses	5.45%	August 10, 2022	\$ 9,468
\$205,208 note payable to acquire 2 school buses	3.80%	September 15, 2022	\$ 42,696
\$98,761 note payable to acquire 1 school bus	2.88%	September 15, 2023	\$ 40,136
\$207,982 note payable to acquire 2 school buses	3.99%	September 1, 2026	\$ 176,075
Total			\$ 372,016

Minimum future payments under such leases are as follows:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 145,357	\$ 11,561
2024	96,149	6,890
2025	78,268	3,833
2026	44,677	3,020
2027	7,565	38
Total	\$ 372,016	\$ 25,342

Lease Liability

The School has implemented GASB Statement No. 87 Leases, and as a result recorded a lease right of use asset and liability in these financial statements. The interest rates of the leases ranged from approximately 0.5% to 6.75% which was used to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability as of June 30, 2022. For 2022, there were no variable payments related to the lease agreements.

Minimum future payments under such leases are as follows:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 66,116	\$ 2,247
2024	39,431	741
2025	20,191	48
2026	878	29
Total	\$ 126,616	\$ 3,065

Note 7 – Long Term Liabilities (continued)

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. 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. The loan proceeds were allocated to the School, Odyssey Preparatory Academy and Odyssey Charter School, Inc. based on average payroll. The School was allocated an additional \$760,360 for a total outstanding balance of \$1,604,456 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 loan was forgiven fully on November 9, 2021 and is recorded in the statement of activities as under operating grants and contributions.

Total interest expense (net of amortization) for all long term debt as of June 30, 2022 was \$1,147,448.

The following schedule provides a summary of changes in long-term liabilities for the year ended June 30, 2022:

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Bonds payable	\$ 21,316,710	\$ -	\$ (198,750)	\$ 21,117,960
Bond premium	1,065,319	-	(32,120)	1,033,199
Notes payable-PPP	1,604,456	-	(1,604,456)	-
Notes payable	344,337	207,982	(180,303)	372,016
Right of use leases	114,236	134,835	(122,455)	126,616
Total Long Term Liabilities	<u>\$ 24,445,058</u>	<u>\$ 342,817</u>	<u>\$ (2,138,084)</u>	<u>\$ 22,649,791</u>

Odyssey Charter School
(A Charter School under Odyssey Charter School, Inc.)
Notes to Financial Statements
June 30, 2022

Note 8 – Interfund Transfers and Balances

Interfund transfers are as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Transfer from Special Revenue Fund to Debt Service Fund to service debts	\$ -	\$ (174,499)	\$ 174,499	\$ -
Transfer from Capital Projects Fund to Debt Service Fund to service debts	-	-	3,053,114	(3,053,114)
Transfer from General Fund to Debt Service Fund to service debts	(41,316)	-	41,316	-
To reimburse General Fund for PPP related expenses	1,608,951	(1,608,951)	-	-
Total Transfers, net	<u>\$ 1,567,635</u>	<u>\$ (1,783,450)</u>	<u>\$ 3,268,929</u>	<u>\$ (3,053,114)</u>

	General Fund	Special Revenue Fund	Capital Projects Fund
Due to General Fund from Capital Projects Fund for capital outlay	\$ 90,337	\$ -	\$ (90,337)
Due to General Fund from Special Revenue Fund for Federal Grants	349,828	(349,828)	-
Total Due from/(Due to)	<u>\$ 440,165</u>	<u>\$ (349,828)</u>	<u>\$ (90,337)</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 three fiscal years. 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 for employer matching contributions up to 3% of the employee’s compensation, after one year of employment. The School contributed to the Plan \$96,145 for the year ended June 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

Odyssey Charter School
(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, 2022

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 13,480,105	\$ 13,011,705	\$ 13,011,704
Charges for services	-	263,275	263,274
Other revenues	302,100	78,715	78,711
Total Revenues	13,782,205	13,353,695	13,353,689
EXPENDITURES			
Current:			
Instruction	7,107,193	6,912,795	7,683,757
Student support services	183,398	245,705	69,648
Instructional media services	6,500	9,450	9,447
Instructional and curriculum development services	-	170,635	(12,804)
Instructional staff training	27,500	29,025	-
Instructional related technology	378,896	497,735	421,990
School administration	3,026,827	2,906,210	2,879,717
Fiscal services	173,606	97,065	97,060
Pupil transportation services	661,071	620,300	615,093
Operation of plant	1,222,970	1,165,075	1,165,073
Maintenance of plant	192,500	187,650	187,652
Community services	411,791	201,400	201,394
Total current expenditures	13,392,252	13,043,045	13,318,027
Excess of revenues			
Over current expenditures	389,953	310,650	35,662
Capital outlay:			
Other capital outlay	-	1,318,685	1,043,697
Right of use lease assets	-	67,525	67,523
Total capital outlay and			
Debt service expenditures	-	1,386,210	1,111,220
Total expenditures	13,392,252	14,429,255	14,429,247
Excess/(Deficit) of revenues			
Over expenditures	389,953	(1,075,560)	(1,075,558)
Other financing sources:			
Increase in lease liability	-	134,850	134,835
Proceeds from notes payable	-	207,985	207,982
Transfers in and (out)	-	1,567,635	1,567,635
Net change in fund balance	389,953	834,910	834,894
Fund balance at beginning of year	3,553,041	3,553,041	3,553,041
Fund balance at end of year	\$ 3,942,994	\$ 4,387,951	\$ 4,387,935

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 Charter School
(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, 2022

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	\$ 1,568,292	\$ 3,120,935	\$ 3,120,937
Federal lunch program	1,020,000	1,026,775	1,026,773
Charges for services	117,500	60,415	60,412
Total Revenues	2,705,792	4,208,125	4,208,122
EXPENDITURES			
Current:			
Instruction	1,040,953	1,511,985	741,024
Student support services	-	-	176,058
Instructional and curriculum development services	182,413	-	183,440
Instructional staff training	48,000	-	29,025
Instructional related technology	205,023	-	75,742
School administration	28,360	-	26,490
Food services	1,146,735	912,685	912,686
Pupil transportation services	25,700	-	5,216
Operation of plant	28,608	-	-
Total current expenditures	2,705,792	2,424,670	2,149,681
Excess of revenues			
Over current expenditures	-	1,783,455	2,058,441
Capital outlay:			
Other capital outlay	-	-	274,991
Total capital outlay and			
Debt service expenditures	-	-	274,991
Total expenditures	2,705,792	2,424,670	2,424,672
Excess/(Deficit) of revenues			
Over expenditures	-	1,783,455	1,783,450
Other financing sources:			
Transfer in and (out)	-	(1,783,455)	(1,783,450)
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

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 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*

Board of Directors of
Odyssey Charter School
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 Charter School (the "School") as of, and for the year ended June 30, 2022, 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, 2022.

Report on 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 (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 a 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 or significant deficiencies may exist that were not identified.

Report on 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 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*.

We issued a separate management letter dated August 30, 2022 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.

A handwritten signature in blue ink that reads "HLB Gravier, LLP".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 30, 2022



MANAGEMENT LETTER

Board of Directors of
Odyssey Charter School
Palm Bay, Florida

Report on the Financial Statements

We have audited the financial statements of Odyssey Charter School, Florida as of and for the fiscal year ended June 30, 2022 and have issued our report thereon dated August 30, 2022.

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, 2022, 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 Charter School, 6507.

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 Charter School 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 Charter School 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 Charter School. It is management's responsibility to monitor Odyssey Charter School'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 Charter School 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 Charter School 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 30, 2022