



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, 2021

TABLE OF CONTENTS

General Information	1	
Independent Auditors' Report.	2-3	
Management's Discussion and Analysis (Required Supplementary Information)	4-8	
Basic Financial Statements:		
<i>Government-wide Financial Statements:</i>		
Statement of Net Position	9	
Statement of Activities.	10	
<i>Fund Financial Statements:</i>		
Balance Sheet - Governmental Funds.	11	
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	12	
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.	13	
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.	14	
Notes to the Basic Financial Statements	15-29	
Required Supplementary Information:		
Budgetary comparison schedules.	30-33	
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 <i>Government Auditing Standards</i>		34-35
Management Letter	36-37	

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

1755 Eldron Blvd S.E.
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

Dr. Monica Knight, Jr. /Sr. High Site Administrator
Wendi Nolder, Elementary Site Administrator



INDEPENDENT AUDITORS' REPORT

Board of Directors
Odyssey Charter School
Palm Bay, Florida

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. , which is a component unit of the 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.

396 Alhambra Circle, Suite 900, Coral Gables, FL 33134 • Tel: 305.446.3022 • Fax: 305.446.6319
www.hlbgravier.com

HLB Gravier, LLP is a member of  International. A world-wide organization of accounting firms and business advisers.

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 Charter School 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 Charter School 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 financial 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 30 through 33 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 Charter School
(A Charter School Under Odyssey Charter School, Inc.)
June 30, 2021

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, 2021.

Financial Highlights

1. The net position of the School at June 30, 2021 was \$5,014,576.
2. At year-end, the School had current assets on hand of \$7,683,138.
3. The School had a decrease in net position of \$138,738 for the year ended June 30, 2021.
4. The unassigned fund balance at year end was \$3,522,442.

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, 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 - 29 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 \$5,014,576 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:

	<u>2021</u>	<u>2020</u>
Cash	\$ 3,739,578	\$ 2,896,487
Restricted cash held by trustee	3,038,585	9,280,403
Due from other divisions of Odyssey Charter School, Inc.	291,469	-
Deposits receivable	30,599	82,520
Due from other agencies	582,907	820,488
Due from charter school	-	-
Capital assets, net	<u>22,868,008</u>	<u>17,800,218</u>
Total Assets	<u>30,551,146</u>	<u>30,880,116</u>
Deferred Outflows	<u>-</u>	<u>-</u>
Accounts payable and accrued liabilities	1,074,252	1,788,613
Due to other divisions of Odyssey Charter School, Inc.	17,260	-
Long term debt	<u>24,445,058</u>	<u>23,938,189</u>
Total Liabilities	<u>25,536,570</u>	<u>25,726,802</u>
Deferred Inflows	<u>-</u>	<u>-</u>
Net Position:		
Net investment in capital assets and long term receivables	468,069	257,685
Restricted by bonds	3,038,585	9,280,403
Unrestricted (deficit)	<u>1,507,922</u>	<u>(4,384,774)</u>
Total Net Position	<u>\$ 5,014,576</u>	<u>\$ 5,153,314</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, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
REVENUES		
Program Revenues		
Capital grants and contributions	\$ 1,749,287	\$ 1,420,726
Federal sources	1,560,340	1,419,354
Federal lunch program	582,461	471,242
Charges for services	249,690	276,765
General Revenues		
FTE and other nonspecific revenues	11,609,415	10,664,963
Other revenues	<u>100,029</u>	<u>180,025</u>
Total Revenues	<u>15,851,222</u>	<u>14,433,075</u>
EXPENSES		
Component Unit Activities:		
Instruction	8,007,168	6,504,635
Student support services	173,610	321,749
Instructional media services	268	16,313
Instructional and curriculum development services	166,138	205,239
Instructional staff training	25,458	44,223
Instructional related technology	407,543	440,914
School administration	2,681,494	2,415,428
Fiscal services	134,349	190,878
Food services	807,347	791,475
Pupil transportation services	563,516	481,579
Operation of plant	1,612,616	1,149,249
Maintenance of plant	120,043	79,219
Community services	115,895	138,548
Interest	<u>1,174,515</u>	<u>1,140,542</u>
Total Expenses	<u>15,989,960</u>	<u>13,919,991</u>
Change in Net Position	(138,738)	513,084
Net Position at Beginning of Year	<u>5,153,314</u>	<u>4,640,230</u>
Net Position at End of Year	<u>\$ 5,014,576</u>	<u>\$ 5,153,314</u>

The School's revenue increased by \$1,418,147 in the current year and expenses increased by \$2,069,969 as a result of an increase in student enrollment of approximately 112 students. The School had a decrease in its net position of \$(138,738) 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 \$3,553,041. The fund balance unassigned and available for spending at the School's discretion is \$3,522,442. These funds will be available for the School's future operations.

Achievements 2020-2021

Over the past few years, Odyssey Charter School has continued to increase student enrollment on a consistent basis. With large increases in enrollment of 7% annually for the past two years - 442 students in FY19 to 1538 students in FY20 to 1649 students in FY21, some building construction was warranted. During the spring and summer of 2020, the construction of several additions took place on both school campuses, including a new wing, soccer field, additional parking lots, a car loop extension, and a new playground at the Odyssey Elementary (K-5) campus and a new gymnasium and performing arts center, soccer field, and track at the Odyssey Charter Jr/Sr High School campus (6-12). In addition, there have been expansions to several instructional programs, including nutrition, environmental and gardening education at grades 1 and 3, dual enrollment programming for grades 10 through 12, and athletics and performing arts programs for grades 6 through 12. During the 2020-2021 school year, the school diligently supported eLearning and face-to-face learners through a synchronized learning model approved by the Florida Department of Education. With the Canvas Online Learning platform, students at home and school had access to all curriculum resources needed to continue their course work. Through Zoom, a live streaming platform, students were also able to engage in real-time learning with their classes if they were not able to join instruction at the school. 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. As a result of these comprehensive efforts, the school was able to maintain an "A" grade and will be submitting to the state to re-gain high performing charter school status. Some highlights of the student data included being first in the city of Palm Bay for 3rd and 4th Math, Graduation Rate (100%), Civics (89% and in the top 9% in the state), US History, middle school Algebra, 6th Math, 8th Grade Science, and Biology.

Capital Assets

The School's investment in capital assets as of June 30, 2021 amounts to \$22,868,008 (net of accumulated depreciation). This investment in capital assets includes building and improvements, vehicles, furniture, fixtures and computer equipment. As of June 30, 2021, the School had long term debt totaling \$22,840,602 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 (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	\$ 1,500,000	\$ 1,749,285	\$ 1,749,287
Federal sources	1,269,998	1,560,325	1,560,340
Federal lunch program	978,400	582,450	649,371
Charges for services	118,050	183,075	182,780
General Revenues			
FTE and Other Nonspecific Revenues	11,762,334	11,609,425	11,609,415
Other Revenues	103,175	100,025	100,029
Total Revenues	<u>15,731,957</u>	<u>15,784,585</u>	<u>15,851,222</u>
EXPENDITURES			
Component Unit Activities:			
Instruction	7,187,102	7,782,000	7,782,034
Student support services	49,044	173,650	173,610
Instructional media services	13,596	275	268
Instructional and curriculum development services	179,544	166,125	166,138
Instructional staff training	52,325	25,450	25,458
Instructional related technology	366,711	407,550	407,543
School administration	2,657,676	2,635,900	2,635,886
Fiscal services	185,896	134,350	134,349
Food services	1,146,866	778,200	778,197
Pupil transportation services	650,251	452,250	452,254
Operation of plant	1,436,662	1,017,425	1,017,460
Maintenance of plant	180,000	120,000	120,043
Community services	-	115,900	115,895
Total Expenditures (before capital outlay and debt service)	<u>14,105,673</u>	<u>13,809,075</u>	<u>13,809,135</u>
Capital outlay	6,079,100	6,086,600	6,074,100
Repayment of principal on notes payable	255,000	445,575	458,074
Interest expense	1,298,941	1,206,650	1,206,636
Total Expenditures	<u>\$ 21,738,714</u>	<u>\$ 21,547,900</u>	<u>\$ 21,547,945</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, 2021

	<u>Primary Governmental Governmental Activities</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 3,739,578
Restricted cash held by trustee	3,038,585
Due from other divisions of Odyssey Charter School, Inc.	291,469
Due from other agencies	582,907
Deposits receivable and prepaid expenses	<u>30,599</u>
	7,683,138
Land	2,295,370
Capital assets, depreciable	27,544,863
Less: accumulated depreciation	<u>(6,972,225)</u>
	22,868,008
Total Assets	<u>30,551,146</u>
<u>Deferred Outflows of Resources</u>	
	<u>-</u>
<u>Liabilities</u>	
Current liabilities:	
Salaries and wages payable	716,131
Accounts payable and accrued expenses	358,121
Due to other divisions of Odyssey Charter School, Inc.	17,260
Capital lease obligation payable within one year	38,632
Bonds payable within one year	<u>198,750</u>
	1,328,894
Long-term debt:	
Notes payable to bank under the Paycheck Protection Program	1,604,456
Capital lease obligation	419,941
Bonds payable	<u>22,183,279</u>
Total Liabilities	25,536,570
<u>Deferred Inflows of Resources</u>	
	<u>-</u>
<u>Net position</u>	
Net investment in capital assets and long term receivables	468,069
Restricted by bonds for:	
Capital Projects	1,631,462
Debt Service	1,407,123
Unrestricted	<u>1,507,922</u>
Total Net Position	<u>\$ 5,014,576</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, 2021

	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	\$ 8,007,168	\$ -	\$ 1,115,715	\$ -	\$ (6,891,453)
Student support services	173,610	-	163,754	-	(9,856)
Instructional media services	268	-	-	-	(268)
Instructional and curriculum development services	166,138	-	125,610	-	(40,528)
Instructional staff training	25,458	-	12,707	-	(12,751)
Instructional related technology	407,543	-	64,040	-	(343,503)
School administration	2,681,494	-	55,690	-	(2,625,804)
Fiscal services	134,349	-	-	-	(134,349)
Food services	807,347	66,910	582,461	-	(157,976)
Pupil transportation services	563,516	-	-	-	(563,516)
Operation of plant	1,612,616	-	22,824	1,749,287	159,495
Maintenance of plant	120,043	-	-	-	(120,043)
Community services	115,895	182,780	-	-	66,885
Interest	1,174,515	-	-	-	(1,174,515)
Total governmental activities	<u>15,989,960</u>	<u>249,690</u>	<u>2,142,801</u>	<u>1,749,287</u>	<u>(11,848,182)</u>
General revenues:					
FTE and other nonspecific revenues					11,609,415
Interest and other revenue					<u>100,029</u>
Change in net position					(138,738)
Net position, beginning					5,153,314
Net position, ending					<u>\$ 5,014,576</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, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 3,739,578	\$ -	\$ -	\$ -	\$ 3,739,578
Restricted cash held by trustee	-	-	1,407,123	1,631,462	3,038,585
Due from other divisions of Odyssey Charter School	291,469	-	-	-	291,469
Due from other agencies	-	524,244	-	58,663	582,907
Deposits receivable and prepaid expenses	30,599	-	-	-	30,599
Due from funds	582,907	-	-	-	582,907
Total Assets	<u>4,644,553</u>	<u>524,244</u>	<u>1,407,123</u>	<u>1,690,125</u>	<u>8,266,045</u>
<u>Deferred Outflows of Resources</u>					
	-	-	-	-	-
<u>Liabilities</u>					
Salaries and wages payable	716,131	-	-	-	716,131
Accounts payable and accrued expenses	358,121	-	-	-	358,121
Due to other divisions of Odyssey Charter School	17,260	-	-	-	17,260
Due to funds	-	524,244	-	58,663	582,907
Total Liabilities	<u>1,091,512</u>	<u>524,244</u>	<u>-</u>	<u>58,663</u>	<u>1,674,419</u>
<u>Deferred Inflows of Resources</u>					
	-	-	-	-	-
<u>Fund balance</u>					
Nonspendable, not in spendable form	30,599	-	-	-	30,599
Restricted by bonds	-	-	1,407,123	1,631,462	3,038,585
Unassigned	3,522,442	-	-	-	3,522,442
	<u>3,553,041</u>	<u>-</u>	<u>1,407,123</u>	<u>1,631,462</u>	<u>6,591,626</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 4,644,553</u>	<u>\$ 524,244</u>	<u>\$ 1,407,123</u>	<u>\$ 1,690,125</u>	<u>\$ 8,266,045</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, 2021

Total Fund Balance - Governmental Funds \$ 6,591,626

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

Capital assets of \$29,840,233 net of accumulated depreciation of \$6,972,225 used in governmental activities are not financial resources and therefore are not reported in the fund. 22,868,008

Long term debt is not due and payable in the current period and, therefore, is not reported in the governmental funds. (24,445,058)

Total Net Position - Governmental Activities \$ 5,014,576

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, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues:					
State capital outlay funding	\$ -	\$ -	\$ -	\$ 1,749,287	\$ 1,749,287
State passed through local	11,609,415	-	-	-	11,609,415
Federal sources	-	1,560,340	-	-	1,560,340
Federal lunch program	-	582,461	-	-	582,461
Charges for services	182,780	66,910	-	-	249,690
Other revenue	99,753	-	-	276	100,029
Total Revenues	11,891,948	2,209,711	-	1,749,563	15,851,222
Expenditures:					
Current					
Instruction	6,666,319	1,115,715	-	-	7,782,034
Student support services	9,856	163,754	-	-	173,610
Instructional media services	268	-	-	-	268
Instructional and curriculum development services	40,528	125,610	-	-	166,138
Instructional staff training	12,751	12,707	-	-	25,458
Instructional related technology	343,503	64,040	-	-	407,543
School administration	2,580,196	55,690	-	-	2,635,886
Fiscal services	134,349	-	-	-	134,349
Food services	-	778,197	-	-	778,197
Pupil transportation services	452,254	-	-	-	452,254
Operation of plant	616,309	22,824	-	378,327	1,017,460
Maintenance of plant	120,043	-	-	-	120,043
Community services	115,895	-	-	-	115,895
Capital Outlay:					
Other capital outlay	113,246	-	-	5,960,854	6,074,100
Debt Service:					
Repayment of principal on long term debt	-	-	458,074	-	458,074
Interest	-	-	1,206,636	-	1,206,636
Total Expenditures	11,205,517	2,338,537	1,664,710	6,339,181	21,547,945
Excess (deficit) of revenues over expenditures	686,431	(128,826)	(1,664,710)	(4,589,618)	(5,696,723)
Other financing sources:					
Repayments to other divisions of Odyssey Charter School Inc.	(94,130)	-	-	-	(94,130)
Proceeds from Paycheck Protection Program	-	760,360	-	-	760,360
Proceeds from lease and notes payable	330,834	-	-	-	330,834
Transfers in and (out)	619,024	(631,534)	1,664,033	(1,651,523)	-
Net change in fund balance	1,542,159	-	(677)	(6,241,141)	(4,699,659)
Fund Balance at beginning of year	2,010,882	-	1,407,800	7,872,603	11,291,285
Fund Balance at end of year	\$ 3,553,041	\$ -	\$ 1,407,123	\$ 1,631,462	\$ 6,591,626

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, 2021

Net Change in Fund Balance - Governmental Funds \$ (4,699,659)

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 \$5,865,977 (net of retirements) exceeded depreciation expense of \$798,187 (net of retirements). 5,067,790

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 increases in long term debt of \$584,325 differed from decreases of \$1,091,194 (net of amortization) in the current period. (506,869)

Change in Net Position of Governmental Activities \$ (138,738)

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, 2021

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, 2021, during which 1,650 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 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.

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

Building and improvements	5-39 Years
Vehicles	10 Years
Software, Furniture, equipment, and library	3-10 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.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

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>
<u>Debt Service Fund</u>			
Sinking Fund-Series 2017 & 2019	\$ 1,407,123	\$ 253,074	\$ 1,660,197
Total Debt Service Fund	<u>\$ 1,407,123</u>	<u>\$ 253,074</u>	<u>\$ 1,660,197</u>
<u>Reserve for Capital Projects</u>			
Capital Projects Fund-Series 2017 & 2019	\$ 1,631,462	\$ 178,002	\$ 1,809,464
Total Reserves for Capital Projects	<u>\$ 1,631,462</u>	<u>\$ 178,002</u>	<u>\$ 1,809,464</u>

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.

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

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 7/1/2020	Additions	Reclassifications/ Retirements	Balance 6/30/2021
Capital Assets not depreciated:				
Land	\$ 2,295,370	\$ -	\$ -	\$ 2,295,370
Construction in Progress	5,675,993	5,309,854	(10,985,847)	-
	<u>7,971,363</u>	<u>5,309,854</u>	<u>(10,985,847)</u>	<u>2,295,370</u>
Capital Assets being depreciated:				
Building and improvements	12,006,729	14,392	10,553,685	22,574,806
Vehicles	1,187,546	172,457	(212,873)	1,147,130
Furniture and equipment	2,787,559	582,148	432,161	3,801,868
Computer Software	21,059	-	-	21,059
	<u>23,974,256</u>	<u>6,078,851</u>	<u>(212,874)</u>	<u>29,840,233</u>
Less: Accumulated Depreciation				
Building and improvements	(3,575,745)	(525,636)	-	(4,101,381)
Vehicles	(561,518)	(112,762)	208,123	(466,157)
Furniture and equipment	(2,015,716)	(367,912)	-	(2,383,628)
Computer Software	(21,059)	-	-	(21,059)
	<u>(6,174,038)</u>	<u>(1,006,310)</u>	<u>208,123</u>	<u>(6,972,225)</u>
Capital Assets, net	<u>\$ 17,800,218</u>	<u>\$ 5,072,541</u>	<u>\$ (4,751)</u>	<u>\$ 22,868,008</u>

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

Instruction	\$ 225,134
School Administration	45,608
Food Services	29,150
Pupil Transportation	111,262
Operation of Plant	595,156
	<u>\$ 1,006,310</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, 2021. During the year ended June 30, 2021, the School incurred \$1,154,300 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 received non-interest bearing advances from affiliates. The following schedule provides a summary of changes in long-term payables with other divisions of Odyssey Charter School, Inc. 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 payables				
Odyssey Preparatory Academy	\$ 94,130	\$ -	\$ (94,130)	\$ -
	<u>\$ 94,130</u>	<u>\$ -</u>	<u>\$ (94,130)</u>	<u>\$ -</u>

Pursuant to the Charter School contract with the School 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 \$89,378.

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 \$6,778,163.

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, 2021, bank balances in potential excess of FDIC coverage totaled approximately \$6,780,000, 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 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 Debt

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”). 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 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 Debt (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, 2021 was \$1,065,319.

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, 2021

Note 7 – Long Term Debt (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>
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
2047-2049	2,040,000	113,850	2,153,850
Total	<u>\$ 15,255,000</u>	<u>\$ 13,829,254</u>	<u>\$ 29,084,254</u>

Series 2019 Bond:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2022	\$ 30,000	\$ 549,250	\$ 579,250
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
2027-2031	180,000	2,691,000	2,871,000
2032-2036	235,000	2,639,375	2,874,375
2037-2041	300,000	2,572,750	2,872,750
2042-2046	385,000	2,487,375	2,872,375
2047-2051	3,885,000	2,129,625	6,014,625
2052-2055	5,865,000	604,375	6,469,375
Total	<u>\$ 11,000,000</u>	<u>\$ 15,856,750</u>	<u>\$ 26,856,750</u>

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

Note 7 – Long Term Debt (continued)

Capital Leases

The School leases certain office and kitchen equipment as well as vehicles under capital leases with a gross value of \$864,167 (\$125,328 recorded in School Administration, \$9,507 recorded in Instruction and \$726,270 recorded in Transportation) with accumulated depreciation totaling \$173,971 (\$102 recorded in School Administration, \$1,320 recorded in Instruction and \$71,190 recorded in Transportation). The assets and liabilities under the capital leases are recorded in fixed assets at the lower of the present value of the future minimum lease payments or the fair value of the assets. In the event of default on the school’s debts the maturity date can be accelerated and/or the underlying collateral may be repossessed.

Minimum future lease payments under such leases are as follows:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2022	\$ 190,093	\$ 11,535	\$ 201,628
2023	144,975	5,701	150,676
2024	71,069	2,270	73,339
2025	51,558	841	52,399
2026	878	812	1,690
Total	<u>\$ 458,573</u>	<u>\$ 21,159</u>	<u>\$ 479,732</u>

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 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 \$1,604,456 plus accrued interest will be due in 2022.

Total interest expense (net of amortization) for all long term debt as of June 30, 2021 was \$1,174,515.

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

Note 7 – Long Term Debt (continued)

The following schedule provides a summary of changes in long-term debt for the year ended June 30, 2021:

	Balance 7/1/2020	Increases	Decreases	Balance 6/30/2021
Bonds Payable	\$ 21,529,446	\$ -	\$ (212,736)	\$ 21,316,710
Bond Premium	1,097,440	-	(32,121)	1,065,319
Notes Payable-PPP	844,096	760,360	-	1,604,456
Capital leases	373,077	330,834	(245,338)	458,573
Total Long Term Debt	<u>\$ 23,844,059</u>	<u>\$ 1,091,194</u>	<u>\$ (490,195)</u>	<u>\$ 24,445,058</u>

Note 8 – Interfund Transfers and Balances

Interfund transfers are as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
To fund lunch deficit	\$ (128,826)	\$ 128,826	\$ -	\$ -
Transfer from Capital Projects Fund to Debt Service Fund to service debts	-	-	1,651,523	(1,651,523)
Transfer from General Fund to Debt Service Fund to service debts	(12,510)	12,510	-	-
To reimburse General Fund for PPP related expenses	760,360	(760,360)	-	-
Total Transfers, net	<u>\$ 619,024</u>	<u>\$ (619,024)</u>	<u>\$ 1,651,523</u>	<u>\$ (1,651,523)</u>

	General Fund	Special Revenue Fund	Capital Projects Fund
Due to General Fund from Capital Projects Fund for capital outlay	\$ 58,663	\$ -	\$ (58,663)
Due to General Fund from Special Revenue Fund for Federal Grants	524,244	(524,244)	-
Total Due from/(Due to)	<u>\$ 582,907</u>	<u>\$ (524,244)</u>	<u>\$ (58,663)</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 for employer matching contributions up to 3% of the employee's compensation, after one year of employment. The School contributed to the Plan \$105,583 for the year ended June 30, 2021.

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, 2021

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 11,762,334	\$ 11,609,425	\$ 11,609,415
Charges for services	118,050	182,800	182,780
Other revenues	103,175	99,750	99,753
Total Revenues	11,983,559	11,891,975	11,891,948
EXPENDITURES			
Current:			
Instruction	6,428,438	6,666,300	6,666,319
Student support services	1,100	9,900	9,856
Instructional media services	13,596	275	268
Instructional and curriculum development services	-	40,525	40,528
Instructional staff training	20,750	12,750	12,751
Instructional related technology	292,907	343,500	343,503
School administration	2,657,676	2,580,200	2,580,196
Fiscal services	185,896	134,350	134,349
Pupil transportation services	624,051	452,250	452,254
Operation of plant	998,641	616,300	616,309
Maintenance of plant	180,000	120,000	120,043
Community services	-	115,900	115,895
Total current expenditures	11,403,055	11,092,250	11,092,271
Excess of revenues			
Over current expenditures	580,504	799,725	799,677
Capital outlay:			
Other capital outlay	129,100	125,750	113,246
Total capital outlay and			
Debt service expenditures	129,100	125,750	113,246
Total expenditures	11,532,155	11,218,000	11,205,517
Excess of revenues			
Over expenditures	451,404	673,975	686,431
Other financing sources:			
Repayments to other divisions of Odyssey Charter School Inc.	-	(94,130)	(94,130)
Proceeds from lease and notes payable	75,000	330,830	330,834
Transfers in and (out)	700,000	631,535	619,024
Net change in fund balance	1,226,404	1,542,210	1,542,159
Fund balance at beginning of year	2,010,882	2,010,882	2,010,882
Fund balance at end of year	\$ 3,237,286	\$ 3,553,092	\$ 3,553,041

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, 2021

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	\$ 1,269,998	\$ 1,560,325	\$ 1,560,340
Federal lunch program	978,400	582,450	582,461
Charges for services	138,000	66,900	66,910
Total Revenues	2,386,398	2,209,675	2,209,711
EXPENDITURES			
Current:			
Instruction	758,664	1,115,700	1,115,715
Student support services	47,944	163,750	163,754
Instructional and curriculum development services	179,544	125,600	125,610
Instructional staff training	31,575	12,700	12,707
Instructional related technology	73,804	64,050	64,040
School administration	-	55,700	55,690
Food services	1,146,866	778,200	778,197
Pupil transportation services	26,200	-	-
Operation of plant	63,021	22,800	22,824
Total current expenditures	2,327,618	2,338,500	2,338,537
Excess of revenues			
Over current expenditures	58,780	(128,825)	(128,826)
Capital outlay:			
Other capital outlay	-	-	-
Total capital outlay and Debt service expenditures	-	-	-
Total expenditures	2,327,618	2,338,500	2,338,537
Excess/(Deficit) of revenues			
Over expenditures	58,780	(128,825)	(128,826)
Other financing sources:			
Transfer in and (out)	(844,096)	(631,535)	(631,534)
Proceeds from Paycheck Protection Program	844,096	760,360	760,360
Net change in fund balance	58,780	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 58,780	\$ -	\$ -

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 - Capital Projects Fund
For the year ended June 30, 2021

	Capital Projects Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State capital outlay funding	\$ 1,500,000	\$ 1,749,285	\$ 1,749,287
Other revenue	-	275	276
Total Revenues	1,500,000	1,749,560	1,749,563
EXPENDITURES			
Current:			
Operation of plant	375,000	378,325	378,327
Maintenance of plant	-	-	-
Total current expenditures	375,000	378,325	378,327
Excess of revenues			
Over current expenditures	1,125,000	1,371,235	1,371,236
Capital outlay:			
Other capital outlay	5,950,000	5,960,850	5,960,854
Total capital outlay and			
Debt service expenditures	5,950,000	5,960,850	5,960,854
Total expenditures	6,325,000	6,339,175	6,339,181
Excess/(Deficit) of revenues			
Over expenditures	(4,825,000)	(4,589,615)	(4,589,618)
Other financing sources			
Transfers in and (out)	(1,651,000)	(1,651,525)	(1,651,523)
Net change in fund balance	(6,476,000)	(6,241,140)	(6,241,141)
Fund balance at beginning of year	7,872,603	7,872,603	7,872,603
Fund balance at end of year	\$ 1,396,603	\$ 1,631,463	\$ 1,631,462

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 - Debt Service fund
For the year ended June 30, 2021

	Debt Service Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Other revenues	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Current:			
Instruction	-	-	-
Total current expenditures	-	-	-
Excess of revenues Over current expenditures	-	-	-
Debt service:			
Repayment of principal	255,000	445,575	458,074
Interest	1,298,941	1,206,650	1,206,636
Total debt service expenditures	1,553,941	1,652,225	1,664,710
Total expenditures	1,553,941	1,652,225	1,664,710
Excess/(Deficit) of revenues over expenditures	(1,553,941)	(1,652,225)	(1,664,710)
Other financing sources:			
Transfers in and (out)	1,553,941	1,651,525	1,664,033
Net change in fund balance	-	(700)	(677)
Fund balance at beginning of year	1,407,800	1,407,800	1,407,800
Fund balance at end of year	\$ 1,407,800	\$ 1,407,100	\$ 1,407,123

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, 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 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 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.

Handwritten signature in blue ink that reads "HLB Grainger, LLP".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 30, 2021



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, 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 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, 2021