



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, 2023

APPROVED

AUG 24 2023

OCS, Inc.
Board of Directors

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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

2022-2023

BOARD OF DIRECTORS

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

SCHOOL ADMINISTRATION

Wendi Nolder, Elementary Site Administrator
Edward Jackson, Jr./Sr. High 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, 2023, 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, 2023, 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 – 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, 2023 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 30 to 31 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, 2023 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, 2023

Management’s Discussion and Analysis
Odyssey Charter School
(A Charter School Under Odyssey Charter School, Inc.)
June 30, 2023

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, 2023.

Financial Highlights

1. The net position of the School at June 30, 2023 was \$8,009,885.
2. At year-end, the School had current assets on hand of \$8,597,942.
3. The School had an increase in net position of \$838,604 for the year ended June 30, 2023.
4. The unassigned fund balance at year end was \$3,598,833.

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, 2023 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 - 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 \$8,009,885 at the close of the fiscal year. A summary of the School's net position as of June 30, 2023 and 2022 is as follows:

	2023	2022
Cash	\$ 5,186,180	\$ 4,958,103
Restricted cash held by trustee	2,299,066	2,532,229
Due from other divisions of Odyssey Charter School, Inc.	51,625	96,741
Deposits receivable	44,309	237,224
Due from other agencies	1,016,762	493,224
Capital and right of use assets, net	<u>22,994,407</u>	<u>22,900,908</u>
Total Assets	<u>31,592,349</u>	<u>31,218,429</u>
Deferred Outflows	<u>-</u>	<u>-</u>
Accounts payable and accrued liabilities	1,309,679	1,397,357
Long term liabilities	<u>22,272,785</u>	<u>22,649,791</u>
Total Liabilities	<u>23,582,464</u>	<u>24,047,148</u>
Deferred Inflows	<u>-</u>	<u>-</u>
Net Position:		
Net investment in capital assets	721,622	580,833
Restricted capital outlay	1,214,759	-
Restricted by bonds	2,299,066	2,532,229
Unrestricted	<u>3,774,438</u>	<u>4,058,219</u>
Total Net Position	<u>\$ 8,009,885</u>	<u>\$ 7,171,281</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, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
REVENUES		
Program Revenues		
Capital grants and contributions	\$ 2,787,348	\$ 2,563,361
Federal sources	3,037,330	3,120,937
Federal lunch program	941,094	1,026,773
Charges for services	454,502	323,686
General Revenues		
FTE and other nonspecific revenues	13,964,966	13,011,704
Other revenues	73,147	78,711
Total Revenues	<u>21,258,387</u>	<u>20,125,172</u>
EXPENSES		
Component Unit Activities:		
Instruction	10,075,065	8,653,255
Student support services	315,276	245,706
Instructional media services	-	9,447
Instructional and curriculum development services	261,248	170,636
Instructional staff training	58,439	29,025
Instructional related technology	433,881	497,732
School administration	3,222,494	2,973,258
Fiscal services	93,394	97,060
Food services	1,210,302	944,308
Pupil transportation services	919,968	781,993
Operation of plant	2,269,922	2,029,553
Maintenance of plant	197,876	187,652
Community services	200,290	201,394
Debt service	1,161,628	1,147,448
Total Expenses	<u>20,419,783</u>	<u>17,968,467</u>
Change in Net Position	838,604	2,156,705
Net Position at Beginning of Year	<u>7,171,281</u>	<u>5,014,576</u>
Net Position at End of Year	<u>\$ 8,009,885</u>	<u>\$ 7,171,281</u>

The School’s revenue increased by \$1,133,215 in the current year and expenses increased by \$2,451,316. The School had an increase in its net position of \$838,604 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.

Governmental Funds (continued)

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 \$3,643,142. The fund balance unassigned and available for spending at the School's discretion is \$3,598,833. These funds will be available for the School's future operations.

Achievements 2022-2023

Odyssey Charter School begins its 25th year in 2023-24 and continues its designation as a high performing charter school by the FLDOE. In the 2022-2023 school year, Odyssey's student enrollment grew to 1,829 students, on two beautiful school campuses—one serving K-5th grade students, and the other serving 6-12th grade students. Although school grades have not yet been released this year, we continue to have strong academic performance, and believe our K-12 school will achieve an "A" for 2022-23.

This year we participated in a new state assessment (S.T.A.R. for primary grades and F.A.S.T. for 3rd grade and up) and we are proud that Odyssey Charter School continues to be one of the top performing schools in the City of Palm Bay. With Civics proficiency at 82%, 5th grade science at 75%, and 3rd-5th grade ELA and Math proficiency of 71% and 74%, respectively, we continue to feel proud of our dedicated students, teachers, and staff for their hard work and the strong academic performance of our students.

Our GATEway, Gifted and Talented Program, served over 117 gifted students and many talented students in grades K-12. Students in this program researched and presented their annual Passion Projects to staff and families at an evening event. In addition, we had 5 of 8 students place at our Brevard South Area District Science and Engineering Fair and had one student win a Special Aspiring Scientist Award. Odyssey Charter School looks forward to serving its community with excellence as it begins its 25th school year, as a Cognia-accredited school with a unique mission on helping each child reach full potential in all areas of life.

Capital Assets

The School's investment in capital assets (including right of use assets) as of June 30, 2023 amounts to \$22,994,407 (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, 2023, the School had long term liabilities totaling \$22,272,785 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	\$ 2,207,957	\$ 2,787,348	\$ 2,787,348
Federal sources	2,964,989	3,037,330	3,037,330
Federal lunch program	1,328,775	941,095	1,015,033
Charges for services	297,085	380,575	380,563
General Revenues			
FTE and Other Nonspecific Revenues	14,485,004	13,964,975	13,964,966
Other Revenues	-	73,150	73,147
Total Revenues	<u>21,283,810</u>	<u>21,184,473</u>	<u>21,258,387</u>
EXPENDITURES			
Component Unit Activities:			
Instruction	9,974,535	9,804,750	9,804,731
Student support services	496,104	315,279	315,276
Instructional media services	7,548	-	-
Instructional and curriculum development services	195,746	261,259	261,248
Instructional staff training	46,500	58,445	58,439
Instructional related technology	719,954	433,885	433,881
School administration	3,080,800	3,143,490	3,143,488
Fiscal services	88,725	93,395	93,394
Food services	1,352,690	1,173,293	1,173,293
Pupil transportation services	883,683	740,628	740,626
Operation of plant	597,328	1,320,156	1,319,242
Maintenance of plant	210,000	197,875	197,876
Community services	344,894	200,290	200,290
Total Expenditures (before capital outlay and debt service)	<u>17,998,507</u>	<u>17,742,745</u>	<u>17,741,784</u>
Capital outlay	1,626,808	1,609,825	1,609,870
Repayment of principal on notes payable	510,000	509,767	509,767
Interest expense	1,207,800	1,207,785	1,161,628
Total Expenditures	<u>\$ 21,343,115</u>	<u>\$ 21,070,122</u>	<u>\$ 21,023,049</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, 2023

	<u>Governmental Activities</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 5,186,180
Restricted cash held by trustee	2,299,066
Due from other divisions of Odyssey Charter School, Inc.	51,625
Due from other agencies	1,016,762
Deposits receivable and prepaid expenses	<u>44,309</u>
	8,597,942
Capital assets, net:	
Land and construction in progress, non depreciable	2,613,421
Capital assets, depreciable	29,832,112
Less: accumulated depreciation	(9,675,639)
Right-of-use lease asset	309,301
Less: accumulated amortization	<u>(84,788)</u>
	22,994,407
Total Assets	<u>31,592,349</u>
<u>Deferred Outflows of Resources</u>	
	<u>-</u>
<u>Liabilities</u>	
Current liabilities:	
Salaries and wages payable	1,046,177
Accounts payable and accrued expenses	263,502
Notes payable within one year	100,846
Lease obligations payable within one year	81,050
Bonds payable within one year	<u>246,250</u>
	1,737,825
Long-term Liabilities:	
Notes payable	125,834
Lease obligations	81,016
Bonds payable	<u>21,637,789</u>
Total Liabilities	23,582,464
<u>Deferred Inflows of Resources</u>	
	<u>-</u>
<u>Net position</u>	
Net investment in capital assets	721,622
Restricted sales tax referendum funds	1,214,759
Restricted by bonds for:	
Capital Projects	908,688
Debt Service	1,390,378
Unrestricted	<u>3,774,438</u>
Total Net Position	<u>\$ 8,009,885</u>

Odyssey Charter School
(A charter school under Odyssey Charter School, Inc.)
Statement of Activities
For the year ended June 30, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental activities:					
Instruction	\$ 10,075,065	\$ -	\$ 2,539,612	\$ -	\$ (7,535,453)
Student support services	315,276	-	184,945	-	(130,331)
Instructional and curriculum development services	261,248	-	215,584	-	(45,664)
Instructional staff training	58,439	-	6,820	-	(51,619)
Instructional related technology	433,881	-	5,195	-	(428,686)
School administration	3,222,494	-	465	-	(3,222,029)
Fiscal services	93,394	-	-	-	(93,394)
Food services	1,210,302	73,939	941,094	-	(195,269)
Pupil transportation services	919,968	-	59,553	-	(860,415)
Operation of plant	2,269,922	-	25,156	2,787,348	542,582
Maintenance of plant	197,876	-	-	-	(197,876)
Community services	200,290	380,563	-	-	180,273
Debt service	1,161,628	-	-	-	(1,161,628)
Total governmental activities	20,419,783	454,502	3,978,424	2,787,348	(13,199,509)
General revenues:					
FTE and other nonspecific revenues					13,964,966
Interest and other revenue					73,147
Change in net position					838,604
Net position, beginning					7,171,281
Net position, ending					<u>\$ 8,009,885</u>

Odyssey Charter School
(A charter school under Odyssey Charter School, Inc.)
Balance Sheet - Governmental Funds
June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 3,840,125	\$ 131,296	\$ -	\$ 1,214,759	\$ 5,186,180
Restricted cash held by trustee	-	-	1,390,378	908,688	2,299,066
Due from other divisions of Odyssey Charter School	51,625	-	-	-	51,625
Due from other agencies	-	935,203	-	81,559	1,016,762
Deposits receivable and prepaid expenses	44,309	-	-	-	44,309
Due from funds	1,016,762	-	-	-	1,016,762
Total Assets	<u>4,952,821</u>	<u>1,066,499</u>	<u>1,390,378</u>	<u>2,205,006</u>	<u>9,614,704</u>
<u>Deferred Outflows of Resources</u>					
	-	-	-	-	-
<u>Liabilities</u>					
Salaries and wages payable	1,046,177	-	-	-	1,046,177
Accounts payable and accrued expenses	263,502	-	-	-	263,502
Due to funds	-	935,203	-	81,559	1,016,762
Total Liabilities	<u>1,309,679</u>	<u>935,203</u>	<u>-</u>	<u>81,559</u>	<u>2,326,441</u>
<u>Deferred Inflows of Resources</u>					
	-	-	-	-	-
<u>Fund balance</u>					
Nonspendable, not in spendable form	44,309	-	-	-	44,309
Restricted by bonds	-	-	1,390,378	908,688	2,299,066
Restricted sales tax referendum funds	-	-	-	1,214,759	1,214,759
Assigned	-	131,296	-	-	131,296
Unassigned	3,598,833	-	-	-	3,598,833
	<u>3,643,142</u>	<u>131,296</u>	<u>1,390,378</u>	<u>2,123,447</u>	<u>7,288,263</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 4,952,821</u>	<u>\$ 1,066,499</u>	<u>\$ 1,390,378</u>	<u>\$ 2,205,006</u>	<u>\$ 9,614,704</u>

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, 2023

Total Fund Balance - Governmental Funds \$ 7,288,263

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

Capital assets net of accumulated depreciation and amortization used in governmental activities are not financial resources and therefore are not reported in the fund.

Capital assets, depreciable	32,445,533	
Less: accumulated depreciation	(9,675,639)	
Right-of-use lease asset	309,301	
Less: accumulated amortization	<u>(84,788)</u>	
		22,994,407

Long term liabilities are not due and payable in the current period and, therefore, is not reported in the governmental funds. (22,272,785)

Total Net Position - Governmental Activities \$ 8,009,885

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, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues:					
State and local capital outlay funding	\$ -	\$ -	\$ -	\$ 2,787,348	\$ 2,787,348
State passed through local and other local	13,964,966	-	-	-	13,964,966
Federal sources	-	3,037,330	-	-	3,037,330
Federal lunch program	-	941,094	-	-	941,094
Charges for services	380,563	73,939	-	-	454,502
Other revenue	73,147	-	-	-	73,147
Total Revenues	14,418,676	4,052,363	-	2,787,348	21,258,387
Expenditures:					
Current					
Instruction	7,960,035	1,844,696	-	-	9,804,731
Student support services	130,331	184,945	-	-	315,276
Instructional and curriculum development services	45,664	215,584	-	-	261,248
Instructional staff training	51,619	6,820	-	-	58,439
Instructional related technology	428,686	5,195	-	-	433,881
School administration	3,143,023	465	-	-	3,143,488
Fiscal services	93,394	-	-	-	93,394
Food services	-	1,173,293	-	-	1,173,293
Pupil transportation services	681,073	59,553	-	-	740,626
Operation of plant	1,294,086	25,156	-	-	1,319,242
Maintenance of plant	197,876	-	-	-	197,876
Community services	200,290	-	-	-	200,290
Capital Outlay:					
Other capital outlay	518,052	694,916	-	232,021	1,444,989
Right of use lease assets	164,881	-	-	-	164,881
Debt Service:					
Repayment of principal	274,767	-	235,000	-	509,767
Interest	20,063	-	1,141,565	-	1,161,628
Total Expenditures	15,203,840	4,210,623	1,376,565	232,021	21,023,049
Excess (deficit) of revenues over expenditures	(785,164)	(158,260)	(1,376,565)	2,555,327	235,338
Other financing sources:					
Bond premium	-	-	(32,120)	-	(32,120)
Increase in lease liability	164,881	-	-	-	164,881
Transfers in and (out)	(124,510)	289,556	1,408,543	(1,573,589)	-
Net change in fund balance	(744,793)	131,296	(142)	981,738	368,099
Fund Balance at beginning of year	4,387,935	-	1,390,520	1,141,709	6,920,164
Fund Balance at end of year	\$ 3,643,142	\$ 131,296	\$ 1,390,378	\$ 2,123,447	\$ 7,288,263

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, 2023

Net Change in Fund Balance - Governmental Funds \$ 368,099

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 and amortization expense. In the current period, these amounts are:

Capital	1,444,989	
Right-of-use lease asset capital outlay	164,881	
Depreciation and amortization expense	(1,478,347)	
Loss on disposal	<u>(38,024)</u>	
		93,499

Additions in long term liabilities provide current financial resources to governmental funds, but increases long term liabilities in the statement of net position. Reductions in long term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current period, these

Decreases in long term liabilities	541,887	
Increases in long term liabilities	<u>(164,881)</u>	
		377,006

Change in Net Position of Governmental Activities \$ 838,604

Odyssey Charter School

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

Notes to Financial Statements

June 30, 2023

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, 2023, during which 1,829 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. 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. 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, 2023, 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, 2023 the composition of restricted balances is as follows:

	<u>Odyssey Charter School</u>
<u>Debt Service Fund</u>	
Sinking Fund-Series 2017 & 2019	\$ 1,390,378
Total Debt Service Fund	<u>\$ 1,390,378</u>
<u>Reserve for Capital Projects</u>	
Capital Projects Fund-Series 2017 & 2019	\$ 908,688
Total Reserves for Capital Projects	<u>\$ 908,688</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 - consists of capital assets net of accumulated depreciation 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."

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 and sales surtax referendum funds restricted for capital outlay purposes.
- 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. Assigned balances at year end pertain to the School's internal account.
- 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. 101, *Compensating Absences*. This Statement provides guidance on the accounting and financial reporting for certain types of compensated absences including parental leave, military leave, and injury duty leave. 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 December 15, 2023.

Odyssey Charter School
(A Charter School under Odyssey Charter School, Inc.)
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

New Accounting Standard Adopted

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. These changes were incorporated in the School's 2023 financial statements and had no material 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, 2023:

	Balance 7/1/2022	Additions	Reclassifications Retirements	Balance 6/30/2023
Capital Assets, non-depreciable:				
Land	\$ 2,295,370	\$ -	\$ -	\$ 2,295,370
Construction in Progress	495,375	839,408	(1,016,732)	318,051
	<u>2,790,745</u>	<u>839,408</u>	<u>(1,016,732)</u>	<u>2,613,421</u>
Capital Assets, depreciable:				
Building and improvements	22,826,765	143,159	1,016,732	23,986,656
Vehicles	1,526,362	-	-	1,526,362
Furniture and equipment	3,835,613	462,422	-	4,298,035
Computer Software	21,059	-	-	21,059
Total depreciable and non-depreciable assets	<u>31,000,544</u>	<u>1,444,989</u>	<u>-</u>	<u>32,445,533</u>
Less: Accumulated Depreciation				
Building and improvements	(4,884,563)	(839,997)	-	(5,724,560)
Vehicles	(629,341)	(176,175)	-	(805,516)
Furniture and equipment	(2,719,059)	(405,445)	-	(3,124,504)
Computer Software	(21,059)	-	-	(21,059)
Total accumulated depreciation	<u>(8,254,022)</u>	<u>(1,421,617)</u>	<u>-</u>	<u>(9,675,639)</u>
Total depreciable and non-depreciable assets, net	<u>\$ 22,746,522</u>	<u>\$ 23,372</u>	<u>\$ -</u>	<u>\$ 22,769,894</u>
Lease Assets:				
Furniture and equipment, right-of-use	\$ 225,900	\$ 164,881	\$ (81,480)	\$ 309,301
Less: accumulated amortization	(71,514)	(56,730)	43,456	(84,788)
Total leased assets, net	<u>154,386</u>	<u>108,151</u>	<u>(38,024)</u>	<u>224,513</u>
Governmental Activities Capital Assets, net	<u>\$ 22,900,908</u>	<u>\$ 131,523</u>	<u>\$ (38,024)</u>	<u>\$ 22,994,407</u>

Note 2 –Capital Assets (continued)

For the fiscal year ended June 30, 2023, depreciation and amortization expense is allocated in the Statement of Activities by function as follows:

	<u>Depreciation</u>	<u>Amortization</u>
Instruction	\$ 246,461	\$ 23,873
School Administration	46,149	32,857
Food Services	37,009	-
Pupil Transportation	179,342	-
Operation of Plant	912,656	-
Total Expense	<u>\$ 1,421,617</u>	<u>\$ 56,730</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, 2028 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, 2023. During the year ended June 30, 2023, the School incurred \$1,280,300 in management fees. Green Apple School Management, LLC is located at 1900 S. Harbor City Blvd, Suite 120, Melbourne, FL 32901.

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.

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, 2023, administrative fees withheld by the School District totaled \$37,439.

Note 5 – Deposits Policy and Credit Risk

At June 30, 2023, the carrying amount of the School’s deposits on hand was \$7,485,246 (including restricted balances).

Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Odyssey Charter School, Inc. which also operates various other charter schools. All bank accounts are opened under the account ownership of Odyssey Charter School, Inc. therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2023, bank balances (excluding the operating account) in potential excess of FDIC coverage totaled approximately \$2,731,000, including restricted funds.

Note 5 – Deposits Policy and Credit Risk (continued)

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

Note 6 – Commitments, Contingencies and Concentrations

As of June 30, 2023 the School had uncompleted construction contracts in connection with building improvements. The total uncompleted contracts are approximately \$376,000 and the total amount capitalized as a part of construction in progress was approximately \$183,000. As of June 30, 2023, the remaining balance to complete on the contracts is approximately \$193,000.

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 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 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 (not shared with Odyssey Preparatory Academy)

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, 2023 was \$1,001,079.

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, 2023

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>
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	355,000	722,650	1,077,650
2029-2033	2,080,000	3,303,688	5,383,688
2034-2038	2,725,000	2,662,046	5,387,046
2039-2043	3,580,000	1,808,952	5,388,952
2044-2048	4,710,000	676,225	5,386,225
Total	<u>\$ 14,710,000</u>	<u>\$ 12,221,148</u>	<u>\$ 26,931,148</u>

Series 2019 Bond:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
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	35,000	540,125	575,125
2029-2034	200,000	2,672,000	2,872,000
2035-2038	260,000	2,614,500	2,874,500
2039-2043	335,000	2,541,125	2,876,125
2044-2048	420,000	2,447,000	2,867,000
2049-2053	6,495,000	1,612,375	8,107,375
2054-2055	3,075,000	155,625	3,230,625
Total	<u>\$ 10,945,000</u>	<u>\$ 14,759,625</u>	<u>\$ 25,704,625</u>

Note Payable

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

<u>Obligations (Vehicles)</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>June 30, 2023</u>
\$172,457 note payable to acquire 2 school buses	2.30%	September 15, 2024	\$ 69,876
\$98,761 note payable to acquire 1 school bus	2.88%	September 15, 2023	\$ 20,352
\$207,982 note payable to acquire 2 school buses	3.99%	September 1, 2026	\$ 136,452
Total			<u>\$ 226,680</u>

Odyssey Charter School
(A Charter School under Odyssey Charter School, Inc.)
Notes to Financial Statements
June 30, 2023

Note 7 – Long Term Liabilities (continued)

Minimum future payments under such leases are as follows:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$ 100,846	\$ 6,890	\$ 107,736
2025	78,268	3,833	82,101
2026	39,980	1,276	41,256
2027	7,586	38	7,624
Total	<u>\$ 226,680</u>	<u>\$ 12,037</u>	<u>\$ 238,717</u>

Lease Liability

The School leased certain office and kitchen equipment during the year and recorded a lease right of use asset and corresponding lease liability in these financial statements. The stated interest rates of the leases ranged approximately from 0.3% to 7.2% which was used to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability. The maturities of the agreements range from 2023 through 2026. For 2023, 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>
2024	\$ 81,050	\$ 7,097
2025	53,416	3,650
2026	27,600	927
Total	<u>\$ 162,066</u>	<u>\$ 11,674</u>

Total interest expense (net of amortization) for all long term debt as of June 30, 2023 was \$1,161,628.

The following schedule provides a summary of changes in long-term liabilities for the year ended June 30, 2023:

	<u>Balance 7/1/2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/2023</u>
Bonds payable	\$ 21,117,960	\$ -	\$ (235,000)	\$ 20,882,960
Bond premium	1,033,199	-	(32,120)	1,001,079
Notes payable	372,016	-	(145,336)	226,680
Right of use leases	126,616	164,881	(129,431)	162,066
Total Long Term Liabilities	<u>\$ 22,649,791</u>	<u>\$ 164,881</u>	<u>\$ (541,887)</u>	<u>\$ 22,272,785</u>

Odyssey Charter School
(A Charter School under Odyssey Charter School, Inc.)
Notes to Financial Statements
June 30, 2023

Note 8 – Interfund Transfers and Balances

Interfund transfers are as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Transfer to Debt Service Fund and General Fund to service debts	\$ 165,046	\$ -	\$ 1,408,543	\$ (1,573,589)
To reimburse the School's internal account in the Special Revenue Fund	(289,556)	289,556	-	-
Total Transfers, net	<u>\$ (124,510)</u>	<u>\$ 289,556</u>	<u>\$ 1,408,543</u>	<u>\$ (1,573,589)</u>

	General Fund	Special Revenue Fund	Capital Projects Fund
Due to General Fund from Capital Projects Fund for capital outlay	\$ 81,559	\$ -	\$ (81,559)
Due to General Fund from Special Revenue Fund for Federal Grants	935,203	(935,203)	-
Total Due from/(Due to)	<u>\$ 1,016,762</u>	<u>\$ (935,203)</u>	<u>\$ (81,559)</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 \$61,119 for the year ended June 30, 2023.

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, 2023

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local and other local	\$ 14,485,004	\$ 13,964,975	\$ 13,964,966
Charges for services	297,085	380,575	380,563
Other revenues	-	73,150	73,147
Total Revenues	14,782,089	14,418,700	14,418,676
EXPENDITURES			
Current:			
Instruction	8,117,981	7,960,050	7,960,035
Student support services	200,645	130,335	130,331
Instructional media services	7,548	-	-
Instructional and curriculum development services	-	45,675	45,664
Instructional staff training	22,500	51,625	51,619
Instructional related technology	500,711	428,690	428,686
School administration	3,020,440	3,143,025	3,143,023
Fiscal services	88,725	93,395	93,394
Pupil transportation services	720,821	681,075	681,073
Operation of plant	540,359	1,295,000	1,294,086
Maintenance of plant	210,000	197,875	197,876
Community services	344,894	200,290	200,290
Total current expenditures	13,774,624	14,227,035	14,226,077
Excess of revenues			
Over current expenditures	1,007,465	191,665	192,599
Debt service:			
Repayment of principal	275,000	274,000	274,767
Interest	20,100	20,100	20,063
Capital outlay:			
Other capital outlay	84,588	518,000	518,052
Right of use lease assets	-	164,885	164,881
Total capital outlay and			
Debt service expenditures	379,688	976,985	977,763
Total expenditures	14,154,312	15,204,020	15,203,840
Excess/(Deficit) of revenues			
Over expenditures	627,777	(785,320)	(785,164)
Other financing sources:			
Bond premium	-	-	-
Increase in lease liability	-	164,885	164,881
Transfers in and (out)	-	(387,225)	(124,510)
Net change in fund balance	627,777	(1,007,660)	(744,793)
Fund balance at beginning of year	4,387,935	4,387,935	4,387,935
Fund balance at end of year	\$ 5,015,712	\$ 3,380,275	\$ 3,643,142

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, 2023

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	\$ 2,964,989	\$ 3,037,330	\$ 3,037,330
Federal lunch program	1,328,775	941,095	941,094
Charges for services	117,500	73,940	73,939
Total Revenues	4,411,264	4,052,365	4,052,363
EXPENDITURES			
Current:			
Instruction	1,856,554	1,844,700	1,844,696
Student support services	295,459	184,944	184,945
Instructional and curriculum development services	195,746	215,584	215,584
Instructional staff training	24,000	6,820	6,820
Instructional related technology	219,243	5,195	5,195
School administration	60,360	465	465
Food services	1,352,690	1,173,293	1,173,293
Pupil transportation services	162,862	59,553	59,553
Operation of plant	56,969	25,156	25,156
Total current expenditures	4,223,883	3,515,710	3,515,707
Excess of revenues			
Over current expenditures	187,381	536,655	536,656
Capital outlay:			
Other capital outlay	971,220	694,915	694,916
Total capital outlay and			
Debt service expenditures	971,220	694,915	694,916
Total expenditures	5,195,103	4,210,625	4,210,623
Excess/(Deficit) of revenues			
Over expenditures	(783,839)	(158,260)	(158,260)
Other financing sources:			
Transfer in and (out)	783,839	158,260	289,556
Net change in fund balance	-	-	131,296
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 131,296

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, 2023, 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, 2023.

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, 2023 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". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 30, 2023



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, 2023 and have issued our report thereon dated August 30, 2023.

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, 2023, 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.

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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, 2023