



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, 2024

APPROVED

AUG 28 2024

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

2023-2024

BOARD OF DIRECTORS

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

SCHOOL ADMINISTRATION

Wendi Nolder, Elementary Site Administrator
Mike Davis 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, 2024, 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 accompanying financial statements 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, 2024, 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.

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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, 2024 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages 5 through 9 and 31 to 32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2024 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 solely 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 effectiveness of 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, 2024

Management’s Discussion and Analysis
Odyssey Charter School
(A Charter School Under Odyssey Charter School, Inc.)
June 30, 2024

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, 2024.

Financial Highlights

1. The net position of the School at June 30, 2024 was \$11,056,814.
2. At year-end, the School had current assets on hand of \$10,774,056.
3. The School had an increase in net position of \$3,046,929 for the year ended June 30, 2024.
4. The unassigned fund balance at year end was \$5,997,122.

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, 2024 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

The government-wide financial statements can be found on pages 10 - 11 of this report.

Fund Financial Statements

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

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

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

The basic governmental fund financial statements can be found on pages 12 – 15 of this report.

Notes to Financial Statements

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

The notes to the financial statements can be found on pages 16 - 30 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a charter school’s financial position. In the case of the School, net position was \$11,056,814 at the close of the fiscal year. A summary of the School’s net position as of June 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Cash	\$ 7,274,467	\$ 5,186,180
Restricted cash held by trustee	2,373,142	2,299,066
Due from other divisions of Odyssey Charter School, Inc.	68,487	51,625
Prepaid expenses and other assets	60,998	44,309
Due from other agencies	996,962	1,016,762
Capital and right of use assets, net	<u>22,953,340</u>	<u>22,994,407</u>
Total Assets	<u>33,727,396</u>	<u>31,592,349</u>
Deferred Outflows	<u>-</u>	<u>-</u>
Accounts payable and accrued liabilities	812,532	1,309,679
Long term liabilities	<u>21,858,050</u>	<u>22,272,785</u>
Total Liabilities	<u>22,670,582</u>	<u>23,582,464</u>
Deferred Inflows	<u>-</u>	<u>-</u>
Net Position:		
Net investment in capital assets	1,095,290	721,622
Restricted sales surtax funds	1,407,751	1,214,759
Restricted by bonds	2,373,142	2,299,066
Unrestricted	<u>6,180,631</u>	<u>3,774,438</u>
Total Net Position	<u>\$ 11,056,814</u>	<u>\$ 8,009,885</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, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
REVENUES		
Program Revenues		
Capital grants and contributions	\$ 3,019,968	\$ 2,787,348
Federal sources	4,443,980	3,978,424
Charges for services	447,606	454,502
General Revenues		
State and local sources	17,366,802	13,964,966
Other revenues	<u>349,800</u>	<u>73,147</u>
Total Revenues	<u>25,628,156</u>	<u>21,258,387</u>
EXPENSES		
Component Unit Activities:		
Instruction	11,336,200	10,075,065
Student support services	395,537	315,276
Instructional media services	627	-
Instructional and curriculum development services	6,792	261,248
Instructional staff training	103,027	58,439
Instructional related technology	619,882	433,881
Board	72,768	-
School administration	2,047,120	3,222,494
Fiscal services	879,281	93,394
Food services	1,318,003	1,210,302
Central services	658,396	-
Pupil transportation services	1,088,429	919,968
Operation of plant	2,469,418	2,269,922
Maintenance of plant	213,853	197,876
Community services	230,153	200,290
Debt service	<u>1,141,741</u>	<u>1,161,628</u>
Total Expenses	<u>22,581,227</u>	<u>20,419,783</u>
Change in Net Position	3,046,929	838,604
Net Position at Beginning of Year	<u>8,009,885</u>	<u>7,171,291</u>
Net Position at End of Year	<u>\$ 11,056,814</u>	<u>\$ 8,009,895</u>

The School’s revenue increased by \$4,369,769 in the current year and expenses increased by \$2,161,444. The School had an increase in its net position of \$3,046,929 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 \$6,058,120. The fund balance unassigned and available for spending at the School's discretion is \$5,997,122. These funds will be available for the School's future operations.

Achievements 2023-2024

Odyssey Charter School celebrated 25 years of service to our Palm Bay and surrounding communities in the 2023-2024 school year and are happy to report our school grade of "A" for FY24. We continue to be a high performing charter school as designated by the Florida Department of Education. Our school served over 1,800 students in 2023-2024 on our two beautiful, green campuses – our K-5th at our Eldron flagship campus and our 6th-12th at our Wyoming campus. Our school was at the top of the performance chart for the City of Palm Bay, earning 65% of points possible for our "A" grade, tied for 1st place. Some highlights include Kindergarten ELA 77% proficient; 1st grade ELA 72% proficient, 1st grade Math 75% proficient, 2nd grade Math 73% proficient, 3rd grade ELA 75% proficient, 3rd grade Math 74% proficient, Biology EOC 84% proficient, Algebra 1 EOC 72% proficient, 9th grade ELA 74% proficient, 7th grade Math 71% proficient, 7th grade Civics 82% proficient, and a 95% graduation rate. We are extremely proud of our committed students, teachers, and staff for their dedication to learning and the solid academic performance of our students.

Our GATEway Gifted and Talented Program served over 200 students in kindergarten through 12th grade. Elementary GATEway students participated in Shark Tank and researched and presented annual Passion Projects to their families at an evening event. While our Secondary students participated in hands on learning on our farm, school district science fair, and hosted for the first time, the "First Tech Challenge" robotics competition. We were proud that 5 students placed at our annual Science and Engineering Fair and while we had 9 students who placed in the top 10 in the Brevard County Science Fair. Odyssey Charter School looks forward to continuing to serve our students with excellence and remains committed to academic excellence and the education of the whole child.

Capital Assets

The School's investment in capital assets (including right of use assets) as of June 30, 2024 amounts to \$22,953,340 (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, 2024, the School had long term liabilities totaling \$21,858,050 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	\$ 851,400	\$ 1,128,785	\$ 3,019,968
Federal sources	4,439,466	4,443,975	4,443,980
Charges for services	450,000	447,610	447,606
General Revenues			
State and local sources	15,120,882	16,037,000	17,366,802
Other Revenues	330,670	321,375	349,800
Total Revenues	<u>21,192,418</u>	<u>22,378,745</u>	<u>25,628,156</u>
EXPENDITURES			
Component Unit Activities:			
Instruction	9,020,825	10,983,855	10,983,850
Student support services	884,795	395,530	395,537
Instructional media services	1,500	650	627
Instructional and curriculum development services	-	6,800	6,792
Instructional staff training	125,500	103,025	103,027
Instructional related technology	573,300	619,885	619,882
Board	106,375	72,770	72,768
School administration	1,727,956	1,958,400	1,958,380
Fiscal services	785,725	879,280	879,281
Food services	569,573	1,279,885	1,276,883
Central services	810,000	658,400	658,396
Pupil transportation services	980,447	898,350	898,329
Operation of plant	1,356,180	1,427,815	1,427,811
Maintenance of plant	235,000	213,855	213,853
Community services	225,000	230,150	230,153
Total Expenditures (before capital outlay and debt service)	<u>17,402,176</u>	<u>19,728,650</u>	<u>19,725,569</u>
Capital outlay	1,650,000	1,672,850	1,672,850
Repayment of principal on notes payable	372,500	428,850	428,862
Interest expense	1,140,000	1,141,750	1,173,861
Total Expenditures	<u>\$ 20,564,676</u>	<u>\$ 22,972,100</u>	<u>\$ 23,001,142</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, 2024

	<u>Governmental Activities</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 7,274,467
Restricted cash held by trustee	2,373,142
Due from other divisions of Odyssey Charter School, Inc.	68,487
Due from other agencies	996,962
Prepaid expenses and other assets	<u>60,998</u>
	10,774,056
Capital assets, net:	
Land and construction in progress, non depreciable	2,658,509
Capital assets, depreciable	31,392,568
Less: accumulated depreciation	(11,322,518)
Right-of-use lease asset	355,548
Less: accumulated amortization	<u>(130,767)</u>
	22,953,340
Total Assets	<u>33,727,396</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>
<u>Liabilities</u>	
Current liabilities:	
Salaries and wages payable	665,616
Accounts payable and accrued expenses	146,916
Notes payable within one year	78,257
Lease obligations payable within one year	73,393
Bonds payable within one year	<u>251,073</u>
	1,215,255
Long-term Liabilities:	
Notes payable	52,293
Lease obligations	48,038
Bonds payable	<u>21,354,996</u>
Total Liabilities	22,670,582
<u>Deferred Inflows of Resources</u>	<u>-</u>
<u>Net position</u>	
Net investment in capital assets	1,095,290
Restricted:	
Sales surtax funds - Capital Projects	1,407,751
Bond funds - Capital Projects	973,572
Bond funds - Debt Service	1,399,570
Unrestricted	<u>6,180,631</u>
Total Net Position	<u>\$ 11,056,814</u>

Odyssey Charter School
(A charter school under Odyssey Charter School, Inc.)
Statement of Activities
For the year ended June 30, 2024

	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	\$ 11,336,200	\$ -	\$ 3,182,205	\$ -	\$ (8,153,995)
Student support services	395,537	-	227,279	-	(168,258)
Instructional media services	627	-	-	-	(627)
Instructional and curriculum development services	6,792	-	-	-	(6,792)
Instructional staff training	103,027	-	68,672	-	(34,355)
Instructional related technology	619,882	-	78,300	-	(541,582)
Board	72,768	-	-	-	(72,768)
School administration	2,047,120	-	-	-	(2,047,120)
Fiscal services	879,281	-	-	-	(879,281)
Food services	1,318,003	79,718	853,227	-	(385,058)
Central services	658,396	-	-	-	(658,396)
Pupil transportation services	1,088,429	-	34,297	-	(1,054,132)
Operation of plant	2,469,418	-	-	3,019,968	550,550
Maintenance of plant	213,853	-	-	-	(213,853)
Community services	230,153	367,888	-	-	137,735
Debt service	1,141,741	-	-	-	(1,141,741)
Total governmental activities	22,581,227	447,606	4,443,980	3,019,968	(14,669,673)
General revenues:					
State and local sources					17,366,802
Interest and other revenue					349,800
Change in net position					3,046,929
Net position, beginning					8,009,885
Net position, ending					\$ 11,056,814

Odyssey Charter School
(A charter school under Odyssey Charter School, Inc.)
Balance Sheet - Governmental Funds
June 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 5,744,205	\$ 122,511	\$ -	\$ 1,407,751	\$ 7,274,467
Restricted cash held by trustee	-	-	1,399,570	973,572	2,373,142
Due from other divisions of Odyssey Charter School	68,487	-	-	-	68,487
Due from other agencies	-	902,446	-	94,516	996,962
Prepaid expenses and other assets	60,998	-	-	-	60,998
Due from funds	996,962	-	-	-	996,962
Total Assets	6,870,652	1,024,957	1,399,570	2,475,839	11,771,018
<u>Deferred Outflows of Resources</u>					
	-	-	-	-	-
<u>Liabilities</u>					
Salaries and wages payable	665,616	-	-	-	665,616
Accounts payable and accrued expenses	146,916	-	-	-	146,916
Due to funds	-	902,446	-	94,516	996,962
Total Liabilities	812,532	902,446	-	94,516	1,809,494
<u>Deferred Inflows of Resources</u>					
	-	-	-	-	-
<u>Fund balance</u>					
Nonspendable, not in spendable form	60,998	-	-	-	60,998
Restricted by bonds	-	-	1,399,570	973,572	2,373,142
Restricted sales surtax funds	-	-	-	1,407,751	1,407,751
Assigned	-	122,511	-	-	122,511
Unassigned	5,997,122	-	-	-	5,997,122
	6,058,120	122,511	1,399,570	2,381,323	9,961,524
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 6,870,652	\$ 1,024,957	\$ 1,399,570	\$ 2,475,839	\$ 11,771,018

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, 2024

Total Fund Balance - Governmental Funds \$ 9,961,524

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	34,051,077	
Less: accumulated depreciation	(11,322,518)	
Right-of-use lease asset	355,548	
Less: accumulated amortization	<u>(130,767)</u>	
		22,953,340

Long term liabilities are not due and payable in the current period and, therefore, is not reported in the governmental funds. (21,858,050)

Total Net Position - Governmental Activities \$ 11,056,814

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, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues:					
State and local capital outlay funding	\$ -	\$ -	\$ -	\$ 1,128,783	\$ 1,128,783
State passed through local	16,037,911	-	-	-	16,037,911
Local sources	1,328,891	-	-	1,891,185	3,220,076
Federal sources	-	4,443,980	-	-	4,443,980
Charges for services	-	447,606	-	-	447,606
Other revenue	349,800	-	-	-	349,800
Total Revenues	17,716,602	4,891,586	-	3,019,968	25,628,156
Expenditures:					
Current					
Instruction	8,660,544	2,323,306	-	-	10,983,850
Student support services	168,258	227,279	-	-	395,537
Instructional media services	627	-	-	-	627
Instructional and curriculum development services	6,792	-	-	-	6,792
Instructional staff training	34,355	68,672	-	-	103,027
Instructional related technology	541,582	78,300	-	-	619,882
Board	72,768	-	-	-	72,768
School administration	1,951,380	-	-	7,000	1,958,380
Fiscal services	879,281	-	-	-	879,281
Food services	-	1,276,883	-	-	1,276,883
Central services	658,396	-	-	-	658,396
Pupil transportation services	864,032	34,297	-	-	898,329
Operation of plant	1,103,447	-	-	324,364	1,427,811
Maintenance of plant	176,723	-	-	37,130	213,853
Community services	-	230,153	-	-	230,153
Capital Outlay:					
Other capital outlay	-	641,845	-	984,758	1,626,603
Right of use lease assets	46,247	-	-	-	46,247
Debt Service:					
Repayment of principal	183,012	-	245,850	-	428,862
Interest	20,063	-	1,153,798	-	1,173,861
Total Expenditures	15,367,507	4,880,735	1,399,648	1,353,252	23,001,142
Excess (deficit) of revenues over expenditures	2,349,095	10,851	(1,399,648)	1,666,716	2,627,014
Other financing sources:					
Increase in lease liability	46,247	-	-	-	46,247
Transfers in and (out)	19,636	(19,636)	1,408,840	(1,408,840)	-
Net change in fund balance	2,414,978	(8,785)	9,192	257,876	2,673,261
Fund Balance at beginning of year	3,643,142	131,296	1,390,378	2,123,447	7,288,263
Fund Balance at end of year	\$ 6,058,120	\$ 122,511	\$ 1,399,570	\$ 2,381,323	\$ 9,961,524

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, 2024

Net Change in Fund Balance - Governmental Funds \$ 2,673,261

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	1,626,603	
Right-of-use lease asset capital outlay	46,247	
Depreciation and amortization expense	<u>(1,713,917)</u>	
		(41,067)

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	460,982	
Increases in long term liabilities	<u>(46,247)</u>	
		414,735

Change in Net Position of Governmental Activities \$ 3,046,929

Odyssey Charter School

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

Notes to Financial Statements

June 30, 2024

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 five 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, 2024, during which 1,899 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 state and local 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.

Odyssey Charter School

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

Notes to Financial Statements

June 30, 2024

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.

The School has not adopted a formal deposit and investment policy that limits the School’s allowable deposits or investments and address specific types of risk; however the School invests excess deposit funds in a government money market mutual fund.

The School follows the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, GASB Statement No. 72, *Fair Value Measurement and Application*, and other related standards which establish accounting and financial reporting standards for all investments (see Note 2). Money market investment that have maturities of one year or less from the date of acquisition are reported at amortized cost rather than fair value. Amortized cost closely approximates fair value.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets

The School’s property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements.

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

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

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.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

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 sales surtax revenues and local capital improvement tax revenues levied by the District. In addition, the School receives a portion of local operating millage revenues levied by the District.

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

Charges for Services

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

Compensated Absences

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

Note 1 – Summary of Significant Accounting Policies (continued)

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, 2024, 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, 2024 the composition of restricted balances is as follows:

	<u>Odyssey Charter School</u>
<u>Debt Service Fund</u>	
Sinking Fund-Series 2017 & 2019	\$ 1,399,570
Total Debt Service Fund	<u>\$ 1,399,570</u>
<u>Reserve for Capital Projects</u>	
Capital Projects Fund-Series 2017 & 2019	\$ 973,572
Total Reserves for Capital Projects	<u>\$ 973,572</u>

Odyssey Charter School

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

Notes to Financial Statements

June 30, 2024

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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.

Odyssey Charter School

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

Notes to Financial Statements

June 30, 2024

Note 1 – Summary of Significant Accounting Policies (continued)

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

In fiscal year 2024, the School adopted a new statement of financial accounting standard issued by Governmental Accounting Standards Board: GASB Statement No. 100, Accounting Changes and Error Corrections. The adoption had no material effect on the School's 2024 financial statements.

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.

Note 2 – Cash and Investments

At June 30, 2024, the carrying amount of the School's deposits on hand was \$9,647,609 (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, 2024, bank balances (excluding the operating account) in potential excess of FDIC coverage totaled approximately \$2,341,000, including restricted funds.

The School's operating account 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.

Investments

The School follows the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in markets for identical assets; Level 2 inputs are significant other observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.); Level 3 inputs are significant unobservable inputs.

Odyssey Charter School
(A Charter School under Odyssey Charter School, Inc.)
Notes to Financial Statements
June 30, 2024

Note 2 – Cash and Investments (continued)

At June 30, 2024, the School had \$6,840,000 invested in a governmental money market mutual fund that is exempt from GASB 72 fair value hierarchy disclosures. The governmental money market mutual fund values its portfolio securities at amortized cost which approximates fair value. The government money market mutual fund primarily invests in cash, high quality, short-term U.S. government securities and/or repurchase agreements that are collateralized fully by government securities that have been valued by the fund as Level 2. As of June 30, 2024, maturities of the fund’s portfolio holdings are approximately 86% within 30 days.

Note 3 –Capital Assets

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2024:

	Balance 7/1/2023	Additions	Reclassifications Retirements	Balance 6/30/2024
Capital Assets, non-depreciable:				
Land	\$ 2,295,370	\$ -	\$ -	\$ 2,295,370
Construction in Progress	318,051	45,088	-	363,139
	<u>2,613,421</u>	<u>45,088</u>	<u>-</u>	<u>2,658,509</u>
Capital Assets, depreciable:				
Building and improvements	23,986,656	563,964	-	24,550,620
Vehicles	1,526,362	289,292	-	1,815,654
Furniture and equipment	4,298,035	728,259	-	5,026,294
Computer Software	21,059	-	(21,059)	-
Total depreciable and non-depreciable assets	<u>32,445,533</u>	<u>1,626,603</u>	<u>(21,059)</u>	<u>34,051,077</u>
Less: Accumulated Depreciation				
Building and improvements	(5,724,560)	(1,081,113)	-	(6,805,673)
Vehicles	(805,516)	(192,377)	-	(997,893)
Furniture and equipment	(3,124,504)	(394,448)	-	(3,518,952)
Computer Software	(21,059)	-	21,059	-
Total accumulated depreciation	<u>(9,675,639)</u>	<u>(1,667,938)</u>	<u>21,059</u>	<u>(11,322,518)</u>
Total depreciable and non-depreciable assets, net	<u>\$ 22,769,894</u>	<u>\$ (41,335)</u>	<u>\$ -</u>	<u>\$ 22,728,559</u>
Lease Assets:				
Furniture and equipment, right-of-use	\$ 309,301	\$ 46,247	\$ -	\$ 355,548
Less: accumulated amortization	(84,788)	(45,979)	-	(130,767)
Total leased assets, net	<u>224,513</u>	<u>268</u>	<u>-</u>	<u>224,781</u>
Governmental Activities Capital Assets, net	<u>\$ 22,994,407</u>	<u>\$ (41,067)</u>	<u>\$ -</u>	<u>\$ 22,953,340</u>

Note 3 –Capital Assets (continued)

For the fiscal year ended June 30, 2024, depreciation and amortization expense is allocated in the Statement of Activities by function as follows:

	<u>Depreciation</u>	<u>Amortization</u>
Instruction	\$ 328,477	\$ 23,873
School Administration	66,634	22,106
Food Services	41,120	-
Pupil Transportation	190,100	-
Operation of Plant	1,041,607	-
Total Expense	<u>\$ 1,667,938</u>	<u>\$ 45,979</u>

Note 4 –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, 2024. During the year ended June 30, 2024, the School incurred approximately \$1,346,000 in management fees. Green Apple School Management, LLC is located at 1900 S. Harbor City Blvd, Suite 120, Melbourne, FL 32901.

Note 5 –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, 2024, administrative fees withheld by the School District totaled \$39,199.

Odyssey Charter School

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

Notes to Financial Statements

June 30, 2024

Note 6 – Commitments, 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 Liabilities

2017 Revenue Bonds

On April 27, 2017, Educational Facilities Revenue Bonds, Series 2017A – Capital Trust Agency (the “Issuer”) issued Educational Facilities Revenue Bonds (Odyssey Charter School Project), Series 2017A, in the aggregate principal amount of \$15,585,000 (the “Series 2017A Bonds”).

The bonds were used to (i) finance or refinance the costs of acquiring, constructing, and equipping certain charter school facilities (collectively, the “Facility”) for the School located within Brevard County, Florida., the land on which the School will be located (the “Site”), and improvements thereto (collectively the “Project”), (ii) fund a debt service reserve account for the Series 2017 Bonds, (iii) fund capitalized interest with respect to the Series 2017A Bonds, and (iv) pay certain costs of issuance of the Series 2017 Bonds. The Series 2017A Bonds are subject to mandatory and optional redemption prior to maturity. The Series 2017B are subject to mandatory redemption prior to maturity. The bond funds were primarily utilized for the acquisition of one of the School’s current sites located at 1350 Wyoming Drive, Palm Bay, Florida and to refinance the facilities located at 1755 Eldron Boulevard, S.E. Palm Bay, Florida. The remaining funds were used for bond issuance costs and various capital projects at both sites. 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 (approximately 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.

Odyssey Charter School

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

Notes to Financial Statements

June 30, 2024

Note 7 – Long Term Liabilities (continued)

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, 2024 was \$968,959.

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.

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>
2025	\$ 216,073	\$ 545,266	\$ 761,339
2026	226,700	534,749	761,449
2027	240,868	523,645	764,513
2028	251,495	511,952	763,447
2029	262,121	498,934	761,055
2030-2034	1,555,018	2,259,060	3,814,078
2035-2039	2,040,297	1,778,892	3,819,189
2040-2044	2,677,889	1,138,140	3,816,029
2045-2048	3,215,608	311,907	3,527,515
Total	<u>\$ 10,686,069</u>	<u>\$ 8,102,545</u>	<u>\$ 18,788,614</u>

Odyssey Charter School
(A Charter School under Odyssey Charter School, Inc.)
Notes to Financial Statements
June 30, 2024

Note 7 – Long Term Liabilities (continued)

Series 2019 Bond:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
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	40,000	538,250	578,250
2030-2034	210,000	2,661,750	2,871,750
2035-2039	270,000	2,601,250	2,871,250
2040-2044	350,000	2,524,000	2,874,000
2045-2049	1,520,000	2,398,500	3,918,500
2050-2054	6,820,000	1,279,500	8,099,500
2055	1,575,000	39,375	1,614,375
Total	\$ 10,920,000	\$ 14,213,000	\$ 25,133,000

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, 2024</u>
\$172,457 note payable to acquire 2 school buses	2.30%	September 15, 2024	\$ 35,336
\$207,982 note payable to acquire 2 school buses	3.99%	September 1, 2026	\$ 95,214
Total			\$ 130,550

Minimum future payments under such leases are as follows:

<u>Year ending</u>	<u>Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2025	\$ 78,257	\$ 3,832	\$ 82,089
2026	44,661	1,276	45,937
2027	7,632	38	7,670
Total	\$ 130,550	\$ 5,146	\$ 135,696

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 2025 through 2027. For 2024, there were no variable payments related to the lease agreements.

Odyssey Charter School
(A Charter School under Odyssey Charter School, Inc.)
Notes to Financial Statements
June 30, 2024

Note 7 – Long Term Liabilities (continued)

Minimum future payments under such leases are as follows:

Year ending	Principal	Interest	Total Payments
2025	\$ 73,393	\$ 36,500	\$ 109,893
2026	48,038	928	48,966
Total	<u>\$ 121,431</u>	<u>\$ 37,428</u>	<u>\$ 158,859</u>

Total interest expense (net of amortization) for all long term debt as of June 30, 2024 was \$1,141,741.

The following schedule provides a summary of changes in long-term liabilities for the year ended June 30, 2024:

	Balance 7/1/2023	Increases	Decreases	Balance 6/30/2024
Bonds payable	\$ 20,882,960	\$ -	\$ (245,850)	\$ 20,637,110
Bond premium	1,001,079	-	(32,120)	968,959
Notes payable	226,680	-	(96,130)	130,550
Right of use leases	162,066	46,247	(86,882)	121,431
Total Long Term Liabilities	<u>\$ 22,272,785</u>	<u>\$ 46,247</u>	<u>\$ (460,982)</u>	<u>\$ 21,858,050</u>

Note 8 – Interfund Transfers and Balances

Interfund transfers are as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Transfer from General Fund to Special Revenue Fund for enrichment program	\$ 146,520	\$ (146,520)	\$ -	\$ -
Transfer to Debt Service Fund to service debts	-	-	1,408,840	(1,408,840)
Transfer to Special Revenue Fund from General Fund for federal expenditures	(126,884)	126,884	-	-
Total Transfers, net	<u>\$ 19,636</u>	<u>\$ (19,636)</u>	<u>\$ 1,408,840</u>	<u>\$ (1,408,840)</u>

	General Fund	Special Revenue Fund	Capital Projects Fund
Due to General Fund from Capital Projects Fund for capital outlay	\$ 94,516	\$ -	\$ (94,516)
Due to General Fund from Special Revenue Fund for Federal Grants	902,446	(902,446)	-
Total Due from/(Due to)	<u>\$ 996,962</u>	<u>\$ (902,446)</u>	<u>\$ (94,516)</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 \$172,672 for the year ended June 30, 2024.

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, 2024

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 15,120,882	\$ 16,037,000	\$ 16,037,911
Local sources	1,482,000	1,328,000	1,328,891
Other revenues	330,670	321,375	349,800
Total Revenues	16,933,552	17,686,375	17,716,602
EXPENDITURES			
Current:			
Instruction	6,451,252	8,660,550	8,660,544
Student support services	596,465	168,250	168,258
Instructional media services	1,500	650	627
Instructional and curriculum development services	-	6,800	6,792
Instructional staff training	50,500	34,350	34,355
Instructional related technology	498,300	541,585	541,582
Board	106,375	72,770	72,768
School administration	1,720,956	1,951,400	1,951,380
Fiscal services	785,725	879,280	879,281
Central services	810,000	658,400	658,396
Pupil transportation services	930,664	864,050	864,032
Operation of plant	1,221,180	1,289,215	1,103,447
Maintenance of plant	200,000	176,725	176,723
Total current expenditures	13,372,917	15,304,025	15,118,185
Excess of revenues			
Over current expenditures	3,560,635	2,382,350	2,598,417
Debt service:			
Repayment of principal	122,500	183,000	183,012
Interest	15,000	20,075	20,063
Capital outlay:			
Right of use lease assets	50,000	46,250	46,247
Total capital outlay and			
Debt service expenditures	187,500	249,325	249,322
Total expenditures	13,560,417	15,553,350	15,367,507
Excess/(Deficit) of revenues			
Over expenditures	3,373,135	2,133,025	2,349,095
Other financing sources:			
Increase in lease liability	50,000	46,250	46,247
Transfers in and (out)	200,000	205,400	19,636
Net change in fund balance	3,623,135	2,384,675	2,414,978
Fund balance at beginning of year	3,643,142	3,643,142	3,643,142
Fund balance at end of year	\$ 7,266,277	\$ 6,027,817	\$ 6,058,120

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, 2024

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	\$ 4,439,466	\$ 4,443,975	\$ 4,443,980
Charges for services	450,000	447,610	447,606
Total Revenues	4,889,466	4,891,585	4,891,586
EXPENDITURES			
Current:			
Instruction	2,569,573	2,323,305	2,323,306
Student support services	288,330	227,280	227,279
Instructional staff training	75,000	68,675	68,672
Instructional related technology	75,000	78,300	78,300
Food services	569,573	1,279,885	1,276,883
Pupil transportation services	49,783	34,300	34,297
Community services	225,000	230,150	230,153
Total current expenditures	3,852,259	4,241,895	4,238,890
Excess of revenues			
Over current expenditures	1,037,207.00	649,690	652,696
Capital outlay:			
Other capital outlay	650,000	641,850	641,845
Total capital outlay and			
Debt service expenditures	650,000	641,850	641,845
Total expenditures	4,502,259	4,883,745	4,880,735
Excess/(Deficit) of revenues			
Over expenditures	387,207	7,840	10,851
Other financing sources:			
Transfer in and (out)	(19,000)	(19,635)	(19,636)
Net change in fund balance	368,207	(11,795)	(8,785)
Fund balance at beginning of year	131,296	131,296	131,296
Fund balance at end of year	\$ 499,503	\$ 119,501	\$ 122,511

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, 2024, 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, 2024.

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 School'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, 2024 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 School'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 School'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, 2024



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, 2024 and have issued our report thereon dated August 30, 2024.

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 issued 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, 2024, 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 fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has 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, 2024