

ODYSSEY 2020 ACADEMY, INC.

DBA Robert A. Mosbacher, Sr. Odyssey Academy

Annual Financial Report

**For the Years Ended
June 30, 2022 and 2021**

ODYSSEY 2020 ACADEMY, INC.

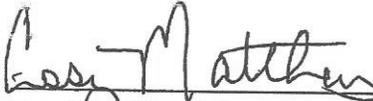
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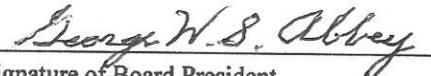
ODYSSEY 2020 ACADEMY INC.
dba ROBERT A. MOSBACHER, SR. ODYSSEY ACADEMY
(A Texas Nonprofit Organization)
CDN: 084-802
(Federal Employer Identification Number: 76-0577257)

Certificate of Board

We, the undersigned, certify that the attached financial and compliance report of Odyssey Academy dba Robert A. Mosbacher, Sr. Odyssey Academy (the "Academy") was reviewed and (check one) approved disapproved for the year ended June 30, 2022, at a meeting of the governing body of the charter holder on the 8th of December



Signature of Board Secretary



Signature of Board President



Independent Auditor's Report

To the Board of Directors of
Odyssey 2020 Academy, Inc.:

Opinion

We have audited the financial statements of Odyssey 2020 Academy, Inc. dba Robert A. Mosbacher, Sr. Odyssey Academy (the "Academy"), which comprise the statements of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Academy as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US 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 the Academy 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with US GAAP, 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 the Academy's ability to continue as a going concern for within one year after the date that the financial statements are available to be issued.

Auditor's 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 opinion. 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 US GAAS 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 US GAAS 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 Academy'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 Academy'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.

Report on Summarized Comparative Information

We have previously audited the Academy's June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 19, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other supplementary information presented under table of contents are required by the Texas Education Agency and are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived



from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the schedule of expenditures of federal awards and other supplementary information presented under table of contents, are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2022 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Academy's 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 Academy's internal control over financial reporting and compliance.

McConnell Jones

Houston, Texas
December 8, 2022

FINANCIAL STATEMENTS

ODYSSEY 2020 ACADEMY, INC.

STATEMENTS OF FINANCIAL POSITION June 30, 2022 and 2021

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,968,487	\$ 1,639,426
Restricted cash and equivalents		
Debt service reserve	88,281	88,209
Future debt service	3,249,791	2,872,857
Due from state	2,883,919	2,311,474
Other receivables	30,328	11
Prepaid expense	5,545	46,406
Total current assets	8,226,351	6,958,383
Noncurrent Assets		
Rent deposit	87,500	87,500
Property and equipment, net	16,479,284	16,948,576
Total noncurrent assets	16,566,784	17,036,076
TOTAL ASSETS	\$ 24,793,135	\$ 23,994,459
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ -	\$ 1,300
Accrued interest	296,034	294,092
Due to student groups	28,906	9,316
Payroll liabilities	177,643	90,954
Accrued salaries payable	978,975	1,120,020
Notes payable due within one year	154,909	162,784
Capital lease payable due within one year	381,941	393,266
Bonds payable due within one year	50,000	60,000
Total current liabilities	2,068,408	2,131,732
Noncurrent Liabilities		
Notes payable due in more than one year	841,372	993,079
Capital lease payable due in more than one year	409,339	639,079
Bonds payable due in more than one year, net of premium/(discount)	15,955,512	15,928,364
Total noncurrent liabilities	17,206,223	17,560,522
TOTAL LIABILITIES	19,274,631	19,692,254
Net Assets		
Without donor restrictions	5,355,079	4,302,205
With donor restrictions	163,425	-
TOTAL NET ASSETS	5,518,504	4,302,205
TOTAL LIABILITIES AND NET ASSETS	\$ 24,793,135	\$ 23,994,459

The accompanying notes are an integral part of these financial statements.

ODYSSEY 2020 ACADEMY, INC.

STATEMENTS OF ACTIVITIES For the Year Ended June 30, 2022 (With Summarized Information for 2021)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2022	2021
REVENUES				
Local Support:				
5740 Other revenues from local sources	\$ 933,042	\$ -	\$ 933,042	\$ 1,584,634
5749 Other revenues from local sources	4,500	-	4,500	
5750 Revenue from cocurricular & enterprising	165,118	-	165,118	112,938
Total local support	1,102,660	-	1,102,660	1,697,572
State program revenues:				
5810 Foundation school program	-	14,576,899	14,576,899	13,247,466
5820 State program revenues distributed by the TEA	-	39,237	39,237	149,363
Total state program revenues	-	14,616,136	14,616,136	13,396,829
Federal program revenues:				
5920 Federal revenues distributed by Texas Education Agency	-	4,690,734	4,690,734	2,188,493
5930 Federal revenues distributed by other State of Texas government agencies	-	558,277	558,277	468,328.00
Total federal program revenues	-	5,249,011	5,249,011	2,656,821
Net assets released from restrictions:				
Satisfaction of program restrictions	19,701,722	(19,701,722)	-	-
TOTAL REVENUES	20,804,382	163,425	20,967,807	17,751,222
EXPENSES				
Program services:				
Instruction and instructional-related services	10,472,762	-	10,472,762	8,613,934
Instructional and school leadership	1,406,357	-	1,406,357	1,362,285
Total program services	11,879,119	-	11,879,119	9,976,219
Support services:				
Administrative support services	872,304	-	872,304	839,914
Ancillary services	81,834	-	81,834	78,589
Support services- non-student based	4,146,030	-	4,146,030	3,639,477
Support Services - student (pupil)	1,690,395	-	1,690,395	1,391,611
Debt service	1,081,826	-	1,081,826	1,103,648
Total support services	7,872,389	-	7,872,389	7,053,239
TOTAL EXPENSES	19,751,508	-	19,751,508	17,029,458
CHANGE IN NET ASSETS	1,052,874	163,425	1,216,299	721,764
NET ASSETS, BEGINNING OF YEAR	4,302,205	-	4,302,205	3,580,441
NET ASSETS, END OF YEAR	\$ 5,355,079	\$ 163,425	\$ 5,518,504	\$ 4,302,205

The accompanying notes are an integral part of these financial statements.

ODYSSEY 2020 ACADEMY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES For the Year Ended June 30, 2022 (With Summarized Information for 2021)

	Program Services			Supporting Services						2022 Total	2021 Total
	Instruction and instructional-related services	Instructional school leadership	Total Program Services	Support Services-Student	Administrative Support Services	Support Services-Non Student	Ancillary Services	Debt Service	Total Supporting Services		
SALARIES AND RELATED EXPENSES											
Teacher and other professionals	\$ 7,033,113	\$ 749,564	\$ 7,782,677	\$ 211,341	\$ 453,283	\$ 203,463	\$ -	\$ -	\$ 868,087	\$ 8,650,764	\$ 7,614,852
Support personnel	874,559	454,653	1,329,212	373,471	85,893	581,451	72,329	-	1,113,144	2,442,356	2,255,915
Employee allowance	-	3,000	3,000	-	9,080	5,574	-	-	14,654	17,654	34,023
Employee benefits	886,327	125,836	1,012,163	110,739	42,312	90,798	5,386	-	249,235	1,261,398	989,935
TOTAL SALARIES AND RELATED EXPENSES	8,793,999	1,333,053	10,127,052	695,551	590,568	881,286	77,715	-	2,245,120	12,372,172	10,894,725
OTHER EXPENSES											
Tuition and transfer	108,677	-	108,677	-	-	-	-	-	-	108,677	105,482
Professional services	-	-	-	-	103,395	-	-	-	103,395	103,395	110,798
Education service center services	1,110	-	1,110	-	21,650	-	-	-	21,650	22,760	36,005
Rentals	42,220	315	42,535	867	3,386	1,002,844	-	-	1,007,097	1,049,632	916,013
Contracted maintenance and repairs	-	-	-	12,025	-	161,579	-	-	173,604	173,604	183,702
Utilities	-	1,565	1,565	-	620	286,007	1,817	-	288,444	290,009	240,961
Miscellaneous contracted services	607,942	10,969	618,911	349,780	39,273	323,864	-	-	712,917	1,331,828	1,039,601
Maintenance and operations	-	-	-	13,920	-	180,800	-	-	194,720	194,720	209,643
Instructional materials	27,684	-	27,684	-	-	-	-	-	-	27,684	33,109
Testing materials	2,396	-	2,396	16,087	-	-	-	-	16,087	18,483	3,135
Food service and other resale items	21,625	-	21,625	539,119	-	-	-	-	539,119	560,744	378,454
Supplies and materials	736,645	27,428	764,073	27,492	7,953	24,530	2,199	-	62,174	826,247	545,414
Travel, subsistence, and stipends	81,294	10,903	92,197	13,995	3,246	2,091	-	-	19,332	111,529	11,357
Insurance and bonding costs	-	-	-	2,021	27,261	261,740	-	-	291,022	291,022	252,217
Depreciation expense	17,117	-	17,117	8,578	-	860,185	-	-	868,763	885,880	798,541
Interest expense	-	-	-	-	-	-	-	1,081,826	1,081,826	1,081,826	1,103,648
Miscellaneous operating costs	32,053	22,124	54,177	10,960	74,952	161,104	103	-	247,119	301,296	166,653
TOTAL OTHER EXPENSES	1,678,763	73,304	1,752,067	994,844	281,736	3,264,744	4,119	1,081,826	5,627,269	7,379,336	6,134,733
TOTAL EXPENSES	\$ 10,472,762	\$ 1,406,357	\$ 11,879,119	\$ 1,690,395	\$ 872,304	\$ 4,146,030	\$ 81,834	\$ 1,081,826	\$ 7,872,389	\$ 19,751,508	\$ 17,029,458

The accompanying notes are an integral part of these financial statements.

ODYSSEY 2020 ACADEMY, INC.

STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue from co-curricular or enterprising	\$ 165,118	\$ 112,938
Foundation school programs receipts	14,013,374	12,718,110
Federal grant receipts	5,249,011	2,656,821
Receipts from miscellaneous sources	933,042	1,584,634
Payments to vendors for goods and services rendered	(5,352,479)	(4,184,289)
Payments to charter school personnel for services rendered	(12,426,528)	(10,644,325)
Interest payments	(1,002,735)	(1,142,389)
Net cash provided by operating activities	1,578,803	1,101,500
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	(416,589)	(1,219,713)
Proceeds from sale of property and equipment	4,500	-
Net cash used in investing activities	(412,089)	(1,219,713)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of long-term debt, net	186,723	761,680
Principal payments on long-term debt	(219,582)	(233,295)
Principal payments on capital leases	(427,788)	(391,938)
Net cash (used in) / provided by financing activities	(460,647)	136,447
NET INCREASE IN CASH AND CASH EQUIVALENTS	706,067	18,234
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,600,492	4,582,258
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 5,306,559	\$ 4,600,492
RECONCILIATION OF CASH AND CASH EQUIVALENTS WITH AMOUNTS REPORTED IN THE STATEMENTS OF FINANCIAL POSITION:		
Unrestricted cash and cash equivalents	\$ 1,968,487	\$ 1,639,426
Restricted debt service reserve cash and cash equivalents	88,281	88,209
Restricted future debt service cash and cash equivalents	3,249,791	2,872,857
	\$ 5,306,559	\$ 4,600,492
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 1,216,299	\$ 721,764
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	\$ 885,880	\$ 798,541
Gain from sale of property	(4,500)	-
Amortization of bond issuance costs	77,149	-
Changes in operating assets and liabilities:		
Due from state	(572,445)	(693,719)
Other receivables	(30,317)	15,000
Prepaid expense	40,861	98,089
Accounts payable	(1,300)	(3,036)
Due from student groups	19,590	(46,798)
Accrued interest	1,942	(38,741)
Payroll liabilities	86,689	(87,268)
Accrued salaries payable	(141,045)	337,668
Total adjustments	362,504	379,736
Net cash provided by operating activities	\$ 1,578,803	\$ 1,101,500

The accompanying notes are an integral part of these financial statements.

ODYSSEY 2020 ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS For the Years Ended June 30, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Odyssey 2020 Academy, Inc. dba Robert A Mosbacher, Sr. Odyssey Academy (the “Academy”) were prepared in conformity with accounting principles generally accepted in the United States (U.S. GAAP). The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing not-for-profit accounting and financial reporting principles.

Reporting Entity

The Academy is a not-for-profit organization incorporated in the State of Texas in July 1998 and exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. The Academy is governed by a board of directors that is comprised of seven members. The Board of Directors (the “Board”) is selected pursuant to the bylaws of the Academy and has the authority to make decisions, appoint the chief executive officer of the Academy, and significantly influence operations. The Board has the primary accountability for the fiscal affairs of the Academy.

Since the Academy receives funding from local, state, and federal government sources, it must comply with the requirements of the entities providing those funds.

Corporate Operations

In July 1998, the State Board of Education of the State of Texas granted the Academy an open-enrollment charter pursuant to Chapter 12 of the Texas Education Code. Pursuant to the program described in the charter application approved by the State Board of Education and the terms of the applicable Contract for Charter, Odyssey Academy was opened. Odyssey Academy was organized to provide educational services to “at risk” students. The Academy’s Board governs its programs, services, activities, and functions. Effective school year 2020-2021, the Academy served grades Pre-Kindergarten through twelfth grade.

The Academy operated one charter school and did not conduct any other charter or non-charter activities.

Basis of Accounting and Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with U.S. GAAP.

Net assets and revenues, expenses, gains, and losses are classified based on the existence and nature or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board are reported as net assets without donor restrictions.

ODYSSEY 2020 ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS For the Years Ended June 30, 2022 and 2021

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

Contributions

The Academy accounts for contributions as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions in the reporting period in which the support is recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents

For financial statement purposes, the Academy considers all highly liquid investment instruments with an original maturity of three months or less to be cash and cash equivalents.

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, vehicles, and furniture and equipment are reported in the financial statements. Capital assets are defined by the Academy as assets with an individual cost of more than \$5,000. Such assets are recorded at historical cost and are depreciated over the estimated useful lives of the assets, which range from three to 40 years, using the straight-line method of depreciation. Expenditures for additions, major renewals, and betterments are capitalized, and maintenance and repairs are charged to expense as incurred. Donations of assets are recorded as direct additions to net assets at fair value at the date of donation, which is then treated as cost.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Academy qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for income taxes.

ODYSSEY 2020 ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS For the Years Ended June 30, 2022 and 2021

Budget

The official school budget is prepared for adoption for required for all funds in the aggregate. The annual budget is adopted on a basis consistent with generally accepted accounting principles and is formally adopted by the Board of Directors.

Prior to the beginning of each school year, the Academy prepares and submits its annual budget for the next fiscal year. However, due to the significant inflows and outflows of students from the program, the budget must be amended on a regular basis. This has resulted in the variances the original adopted budget and the final amended budget presented on the Budgetary Comparison Schedule. Management has taken steps to ensure that future related budgets are amended on a frequent basis to reflect changes in actual and budget amounts.

Reclassification

Certain expenditure amounts in the prior year's statement of functional expenses were reclassified to conform with the current fiscal year's presentation. Such reclassifications have no effect on the changes in net assets as previously stated in the prior fiscal year's financial statements.

NOTE 2 – CAPITAL ASSETS

Capital assets as of June 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Land and improvements	\$ 5,405,000	\$ 5,405,000
Buildings and improvements	17,136,467	16,719,269
Library books	5,475	5,475
Vehicles	135,679	136,289
Furniture and equipment	<u>2,867,014</u>	<u>2,867,013</u>
Total property and equipment	25,549,635	25,133,046
Less accumulated depreciation	<u>(9,070,351)</u>	<u>(8,184,470)</u>
Property and equipment, net	<u>\$ 16,479,284</u>	<u>\$ 16,948,576</u>

Capital assets acquired with public funds received by the Academy for the operation of the charter school constitute public property pursuant to Chapter 12 of the Texas Education Code.

Depreciation expense for the 2022 and 2021 fiscal years was \$885,880 and \$798,541, respectively.

ODYSSEY 2020 ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS For the Years Ended June 30, 2022 and 2021

NOTE 3 – LONG-TERM DEBT

In August 2010, the Texas Public Finance Authority Charter School Finance Corporation (the “Corporation”) issued the following bonds: \$9,265,000 Education Revenue Bonds (Odyssey Academy, Inc.) Series 2010A, \$690,000 Taxable Education Revenue Bonds (Odyssey Academy, Inc.) Series 2010B, and \$5,000,000 Taxable Education Revenue Bonds (Odyssey Academy, Inc.) Series 2010Q. Proceeds of the bonds were loaned to the Academy to finance the cost of acquiring, constructing, and renovating educational facilities; to fund a debt service reserve; as well as pay the cost of issuance.

In February 2015, the Arlington Higher Education Finance Corporation (the “Corporation”) issued the following bonds: \$11,775,000 Education Revenue and Refunding Bonds (Odyssey Academy, Inc.), Series 2015A and \$470,000 Taxable Education Revenue and Refunding Bonds (Odyssey Academy, Inc.), Series 2015B. A portion of the proceeds of the Series 2015A bonds were loaned to the Academy to refund the Series 2010A Education Revenue Bonds outstanding principal balance of \$9,265,000; to finance the costs of acquiring, constructing, equipping, and renovating educational facilities; to fund a debt service reserve; and to pay the cost of issuance of the refunded bonds. The proceeds of the Series 2015B bonds were loaned to the Academy to refund Series 2010B Taxable Education Revenue Bonds’ outstanding principal balance of \$140,000 and to pay the cost of issuance of the refunded bonds. As a result of the Series 2015A and Series 2015B refundings, the refunded portion of the Series 2010A and Series 2010B bonds are considered to be defeased and the liabilities have been removed from the Statement of Financial Position.

The bonds are limited obligations of the Corporation, payable solely from revenues received from the Academy pursuant to a series of legal agreements between the Corporation, the Academy, and The Bank of New York Mellon Trust Company, who serves as Trustee.

The Taxable Education Revenue Bonds (Odyssey Academy, Inc.) Series 2010Q are designated as qualified school construction bonds pursuant to the Internal Revenue Code. The Academy is eligible to receive a cash subsidy from the United States Treasury annually through maturity on interest payments made for the Series 2010Q. For fiscal years 2022 and 2021, this subsidy totaled \$243,766 and \$244,702, respectively.

Detail of the bonds outstanding as of June 30, 2022 are as follows:

Description	Interest Rates	Maturity Date	Balance
Taxable Education Revenue Bonds, Series 2010Q	9.000%	8/15/2027	\$ 5,000,000
Education Revenue Refunding Bonds, Series 2015A	3.000-4.000%	2/15/2040	11,390,000
Taxable Education Revenue and Refunding Bonds, Series 2015B	1.000-1.5000%	2/15/2024	35,000
		Total	<u>\$ 16,425,000</u>

Details of other debt outstanding at year end are as follows:

In October 2014, the Academy was approved for a note payable in the amount of \$705,000 from Moody National Bank to provide funds for school expansion on currently owned property. The terms of the note include 12 months of interest payments, then converting to monthly principal and interest payments of \$4,401, based on a 20-year amortization with a 4% interest rate.

ODYSSEY 2020 ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS For the Years Ended June 30, 2022 and 2021

In November 2016, the Academy entered into an equipment financing agreement with Mobile Modular Management Corporation in the amount of \$77,606 for the purchase of portable building. The original terms of the note included 60 monthly principal and interest payments of \$1,741, beginning November 2020. The final payment will be due in September 2022.

In February 2017, the Academy entered into a note payable agreement with Moody National Bank for the purchase of a bus in the amount of \$21,885. The terms of the note include 60 monthly principal and interest payments of \$413, with a 4.99% interest rate.

In September 2017, the Academy entered into an equipment financing agreement with Marlin Capital Solutions in the amount of \$35,025 for the purchase of an HVAC unit. The original terms of the note included 60 monthly principal and interest payments of \$768, beginning in October 2017. The final payment will be due in September 2022.

In May 2018, the Academy entered into an equipment financing agreement with Marlin Capital Solutions in the amount of \$144,589 for the purchase of kitchen equipment. The original terms of the note included 60 monthly principal and interest payments of \$2,810, beginning in August 2018. The final payment will be due in July 2023.

In June 2018, the Academy entered into an equipment financing agreement with Lenovo Financial Services in the amount of \$102,027 for the purchase of 120 laptops. The original terms of the note included 36 monthly principal and interest payments of \$3,117, beginning in November 2018. The final payment will be due in October 2021.

In July 2018, the Academy entered into a note payable agreement with Ford Motor Credit Company for the purchase of a van in the amount of \$23,075. The terms of the note include 60 monthly principal and interest payments of \$478, with an 8.94% interest rate.

In September 2018, the Academy entered into an equipment financing agreement with Marlin Capital Solutions in the amount of \$32,844 for the purchase of a HVAC unit. The original terms of the note included 60 monthly principal and interest payments of \$720, beginning in in October 2018. The final payment will be due in September 2023.

In July 2019, the Academy entered into an equipment financing agreement with Wells Fargo Bank in the amount of \$44,880 for the purchase of 120 iPads. The original terms of the note included 36 monthly principal and interest payments of \$1,377, beginning in October 2019. The final payment will be due in September 2022.

In July 2019, the Academy entered into a promissory note with Regions Bank in the amount of \$407,952. The terms of the note include 59 regular payments of \$4,380 including principal and interest, with an annual interest rate of 4.700%. The final payment will be due in June 2025.

In August 2019, the Academy entered into a note payable agreement with TCF National Bank for the purchase of a 2011 Chevrolet Girardin Bus in the amount of \$30,906. The terms of the note include 36 consecutive monthly principal and interest payments of \$959, with a 7.32% interest rate.

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NOTES TO THE FINANCIAL STATEMENTS For the Years Ended June 30, 2022 and 2021

In September 2019, the Academy entered into an equipment financing agreement with VAR Technology Finance in the amount of \$217,309 for the purchase of 225 laptops. The terms of the note include 36 monthly principal and interest payments of \$6,709, beginning in November 2019. The final payment will be due in October 2022.

In September 2019, the Academy entered into an equipment financing agreement with Regents Capital Corporation in the amount of \$341,869 for the purchase of playground equipment and three mobile buildings. The terms of the agreement include 20 quarterly principal and interest payments of \$20,125, beginning December 2020. The final payment will be due on March 20, 2025.

In March 2020, the Academy entered into a promissory note with Regions Bank in the amount of \$500,000 for architectural cost and other expenses associated with the new Texas City location. The terms of the note include 59 regular payments of \$3,941 including principal and interest, with an annual interest rate of 4.960%. The final payment will be due on March 20, 2025.

In April 2020, the Academy entered into an equipment financing agreement with Marlin Capital Solutions in the amount of \$264,672 for the purchase of kitchen equipment. The terms of the agreement include 60 monthly principal and interest payments of \$5,116, beginning August 2020. The final payment will be due July 2025.

In April 2020, the Academy entered into an equipment financing agreement with Regents Capital Corporation in the amount of \$184,702 for the purchase of office and classroom furniture. The terms of the agreement include 20 quarterly principal and interest payments of \$10,712, beginning July 2020. The final payment will be due April 2025.

In June 2020, the Academy entered into an equipment financing agreement with Lenovo Financial Services in the amount of \$193,560 for the purchase of technology hardware. The terms of the agreement include 36 monthly principal and interest payments of \$5,929, beginning August 2020. The final payment will be due July 2023.

In September 2020, the Academy entered into an equipment financing agreement with Marlin Capital Solutions in the amount of \$16,902 for the purchase of a HVAC unit. The terms of the agreement include 60 monthly principal and interest payments of \$388, beginning September 2020. The final payment will be due August 2025.

In October 2020, the Academy entered into an equipment financing agreement with Lenovo Financial Services in the amount of \$60,000 for the purchase of technology hardware. The terms of the agreement include 36 monthly principal and interest payments of \$1,833, beginning November 2020. The final payment will be due October 2023.

In July 2021, the Academy entered into an equipment financing agreement with Lenovo Financial Services in the amount of \$61,620 for the purchase of technology hardware. The terms of the agreement include 36 monthly principal and interest payments of \$1,882, beginning August 2021. The final payment will be due July 2024.

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NOTES TO THE FINANCIAL STATEMENTS For the Years Ended June 30, 2022 and 2021

In December 2021, the Academy entered into an equipment financing agreement with Marlin Capital Solutions in the amount of \$19,608 for the purchase and installation of a HVAC unit. The terms of the agreement include 36 monthly principal and interest payments of \$638, beginning February 2022. The final payment will be due January 2024.

In January 2022, the Academy entered into an equipment financing agreement with Marlin Capital Solutions in the amount of \$32,262 for the purchase of office and classroom furniture. The terms of the agreement include 36 monthly principal and interest payments of \$1,026, beginning February 2022. The final payment will be due January 2024.

In March 2022, the Academy entered into an equipment financing agreement with Regents Capital Corporation in the amount of \$55,961 for the purchase of office and classroom furniture. The terms of the agreement include 20 quarterly principal and interest payments of \$3,340, beginning March 2022. The final payment will be due December 2026.

In March 2022, the Academy entered into an equipment financing agreement with Regents Capital Corporation in the amount of \$17,272 for the purchase and installation of a HVAC unit. The terms of the agreement include 12 quarterly principal and interest payments of \$1,633, beginning March 2022. The final payment will be due December 2024.

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

Long Term Debt:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds, Loans, and Notes Payable:					
Series 2010Q	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000	\$ -
Series 2015A	11,450,000	-	(60,000)	11,390,000	50,000
Series 2015B	35,000	-	-	35,000	-
Net premium/(discount)	(153,171)	-	18,124	(135,047)	-
Bond Issuance Cost	(343,465)	-	59,024	(284,441)	-
Total Bonds	15,988,364	-	17,148	16,005,512	50,000
Notes Payable	1,155,863	-	(159,582)	996,281	154,909
Capital Leases	1,032,345	186,723	(427,788)	791,280	381,941
Total	\$ 18,176,572	\$ 186,723	\$ (570,222)	\$ 17,793,073	\$ 586,850

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NOTES TO THE FINANCIAL STATEMENTS For the Years Ended June 30, 2022 and 2021

At June 30, 2022, future debt service requirements for the bonds payable are as follows:

Year ending June 30,	Revenue and Refunding Bonds		
	Principal	Interest	Total
2023	\$ 50,000	\$ 876,890	\$ 926,890
2024	35,000	875,390	910,390
2025	-	874,175	874,175
2026	-	874,175	874,175
2027	5,100,000	874,175	5,974,175
2028 and thereafter	10,820,512	3,107,919	13,928,431
Total	\$ 16,005,512	\$ 7,482,724	\$ 23,488,236

At June 30, 2022, future debt service requirements for the notes payable are as follows:

Year ending June 30,	Notes Payable		
	Principal	Interest	Total
2023	\$ 154,909	\$ 48,472	\$ 203,381
2024	155,269	40,373	195,642
2025	686,103	19,184	705,287
Total	\$ 996,281	\$ 108,029	\$ 1,104,310

At June 30, 2022, future debt service requirements for the capital leases are as follows:

Year ending June 30,	Capital Leases		
	Principal	Interest	Total
2023	\$ 381,941	\$ 41,493	\$ 423,434
2024	246,894	20,371	267,265
2025	142,891	5,807	148,698
2026	13,130	1,006	14,136
2027	6,424	293	6,717
Total	\$ 791,280	\$ 68,970	\$ 860,250

NOTE 4 – PENSION PLAN OBLIGATIONS

Plan Description

The Academy contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing, defined benefit pension plan with one exception: all risks and costs are not shared by the Charter Holder, but are the liability of the State of Texas (the “State”). Based on FASB Statement No. 87, a multiemployer plan is a pension plan to which two or more unrelated employers contribute, usually pursuant to one or more collective-bargaining agreements. Although TRS has no collective bargaining agreements, the

ODYSSEY 2020 ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS For the Years Ended June 30, 2022 and 2021

defined benefit pension plan is considered to be a multiemployer plan for the purposes of a not-for-profit charter holder due to various significant factors. These factors include: 1) charter holders are legally separate entities from the State and each other; 2) assets contributed by one participating entity may be used to provide benefits to employees of other participating employers since assets contributed by one entity are not segregated in a separate account or restricted to provide benefits only to employees of that entity; 3) upon withdrawal from the TRS, the unfunded obligation or net pension liability of that entity will be passed along to the remaining other entities who contribute to the TRS; and 4) there is not a withdrawal penalty for leaving the TRS system.

TRS administers retirement and disability annuities and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas State Legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and Required Supplementary Information for the defined benefit plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701; by calling the TRS Communications Department at 1-800-223-8778; or by downloading the report from the TRS website, www.trs.state.tx.us, under the TRS Publication Heading.

Funding Policy and Funded Status

Contribution requirements are not actuarially determined but are established and amended by the Texas State Legislature. The State funding policy is as follows: (1) the State constitution requires the Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a State contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation of all members of TRS; (2) State statute prohibits benefit improvements if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action.

As of August 31, 2022, TRS' total plan assets were approximately \$223,172,755, accumulated benefit obligation (or total pension liability) was approximately \$227,273,464, and TRS was 88.79% funded.

Contributions

State law provides for a member contribution rate of 7.7% for fiscal years 2022 and 2021, and a state contribution rate of 7.5% for fiscal years 2022 and 2021.

The Academy's employees' contributions to TRS for the fiscal years 2022 and 2021 were \$778,352 and \$719,081 respectively; and were equal to the required contributions for each year. Other contributions made from federal and private grants for the fiscal year 2022 and 2021 were \$80,500 and \$90,002 respectively; and were equal to the required contributions for each year. These contributions did not represent more than 5% of the total contributions to TRS.

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NOTES TO THE FINANCIAL STATEMENTS For the Years Ended June 30, 2022 and 2021

In addition to the Academy's contributions given above, when employing a new member to TRS, the Academy is required to pay the state contribution for the new members in their first 90 days of employment. The Academy's contribution for new members for fiscal years 2022 and 2021, were \$15,091 and \$14,958 respectively.

In addition to the Academy's contributions given above, when employing a retiree of TRS, the Academy is required to pay both the employee contribution and the state contribution as an employment after retirement surcharge. The Academy's contribution for pension surcharge for fiscal year 2022 and 2021 were \$15,607 and \$6,713 respectively.

Effective for fiscal year 2015, the Academy made contributions for the Non-Old Age Survivor and Disability Insurance (Non-OASDI) for certain employees. The total amount contributed for Non-OASDI for fiscal years 2022 and 2021 were \$173,273 and \$148,406 respectively.

NOTE 5 – RETIREE HEALTH CARE PLAN

Plan Description

The Academy contributes to the Texas Public School Retired Employees Group Insurance Program ("TRS- Care"), a cost-sharing, multiple-employer defined benefit postemployment health care plan administered by TRS. TRS-Care provides health care coverage for certain persons (and their dependents) who retired under TRS. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. TRS issues a publicly available financial report that includes financial statements and Required Supplementary Information for TRS-Care. That report may be obtained by visiting the TRS website at www.trs.state.tx.us; by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701; or by calling 1-800-223-8778.

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State and active public school employee contribution rates were 1.25% for fiscal years 2022 and 2021, and 0.65% of school payroll, respectively, with the Charter Holder contributing a percentage of payroll set at 0.75% for fiscal years 2022 and 2021. Per Texas Insurance Code, Chapter 1575, the school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended June 30, 2022 and 2021, the State's contributions to TRS-Care were \$13,418 and \$15,156, respectively; the active member contributions were \$69,163 and \$60,703, respectively; and the Academy's contributions were \$79,839 and \$69,553, respectively; which equaled the required contributions each year.

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NOTES TO THE FINANCIAL STATEMENTS For the Years Ended June 30, 2022 and 2021

NOTE 6 – HEALTH CARE COVERAGE

During the years ended June 30, 2022 and 2021, employees of the Academy were covered by TRS Active Employee Insurance Plan (the “Plan”). The Academy contributed \$225 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. All premiums were paid to licensed insurers.

NOTE 7 – DUE FROM STATE

As of June 30, 2022 and 2021, the Academy had earned the following revenues that were not received until after the fiscal year end:

<u>Program</u>	<u>2022</u>	<u>2021</u>
Foundation School Program	\$ 2,766,092	\$ 2,248,587
Title III, Part A English Language Acquisition	104	-
ESEA, Title I, Part A	890	315
IDEA Part B, Formula	634	292
IDEA Part B, Discretionary	61,365	-
Career and Technical Education - Basic Grant	6,057	-
National School Breakfast and Lunch Program	14,850	22,287
ESEA, Title II, Part A	-	193
ESSER III of the American Rescue Plan	27,127	-
State Special Revenues	6,800	39,800
	<u>\$ 2,883,919</u>	<u>\$ 2,311,474</u>

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2022 and 2021, the Academy’s net assets with donor restrictions were \$163,425 for 2022 and \$0 for 2021.

<u>Program</u>	<u>2022</u>	<u>2021</u>
National School Breakfast and Lunch Program	\$ 163,425	\$ -
Total net assets with donor restrictions	<u>\$ 163,425</u>	<u>\$ -</u>

ODYSSEY 2020 ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS For the Years Ended June 30, 2022 and 2021

NOTE 9 – AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Total cash and cash equivalents	\$ 5,306,559	\$ 4,600,492
Due from state	2,883,919	2,311,474
Other receivables	30,328	11
Total financial assets	8,220,806	6,911,977
Less: Restricted cash and cash equivalents		
Debt service reserve	(88,281)	(88,209)
Future debt service	(3,249,791)	(2,872,857)
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 4,882,734</u>	<u>\$ 3,950,911</u>

As part of the Academy's liquidity management, the Academy prepares an annual operating budget and structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Academy has access to lines of credit from which it could draw upon.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

The Academy receives funds through state and federal programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to the TEA and is subject to audit and adjustment. Expenses charged to federal programs are subject to audit and adjustment by the grantor agency. The programs administered by the Academy have complex compliance requirements and, should state or federal auditors discover areas of noncompliance, funds may be subject to refund if so determined by the TEA or the grantor agency.

NOTE 11 – OPERATING LEASES

The Academy entered into a sublease agreement with HEB Grocery Company, L.P. through October 31, 2026 for the building located at 2412 61st Street, Galveston, Texas. This location is used for classroom and administrative purposes. The monthly rental payment was \$12,854 from July 1, 2016 to October 31, 2016 and increased to \$16,710 as of November 1, 2016 and will continue through the end of the sub lease agreement.

ODYSSEY 2020 ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS For the Years Ended June 30, 2022 and 2021

The Academy entered into a lease agreement effective August 1, 2019 for property located on the first floor of the building located at 600 Gulf Freeway for suites 110 and 123 in Texas City, Texas. The agreement is through December 2022. The monthly rent payment of \$7,420 is based on square footage. The lease space is for general office space.

The Academy entered into a lease agreement in May 2019 with Xerox Financial Services for the lease of copiers. There is a monthly lease payment of \$3,130 and the agreement is for five years.

The Academy entered into a lease agreement effective January 24, 2020 with JMK5 Mall of the Mainland, LLC, for property located at 10000 Emmitt F Lowry Expressway for suite 1300 in Texas City, Texas. The agreement is through June 30, 2030. The monthly rental payment was \$55,625 from July 1, 2020 through August 31, 2022 and increased to \$62,500 as of September 1, 2022 and will continue through the end of the lease agreement. The rent payment is based on square footage. The lease space is for classroom space.

The Academy entered into a lease agreement amendment effective March 2, 2022 with JMK5 Mall of the Mainland, LLC, for additional property located at 10000 Emmitt F Lowry Expressway for suite 1300 in Texas City, Texas. The agreement is through June 30, 2030. The monthly rental payment is \$15,969 and will continue through the end of the lease agreement. The rent payment is based on square footage. The additional lease space is for classrooms.

Future annual rental payments as of June 30, 2022 are as follows:

Property - Operating Lease	
For the Year Ending June 30,	Amount
2023	\$ 1,216,692
2024	1,233,150
2025	1,272,150
2026	1,272,150
2027	1,138,557
2028-2030	3,292,875
Total	<u>\$ 9,425,574</u>

Equipment - Operating Lease	
For the Year Ending June 30,	Amount
2023	\$ 37,560
2024	37,560
Total	<u>\$ 75,120</u>

ODYSSEY 2020 ACADEMY, INC.

NOTES TO THE FINANCIAL STATEMENTS For the Years Ended June 30, 2022 and 2021

NOTE 12 – STATE FOUNDATION PROGRAM REVENUE

Charter schools in the State participate in the State Foundation Program. Under this program, each charter school is entitled to receive these revenues based upon student enrollment and average daily attendance. Each charter school is required to file enrollment and attendance reports at the close of each six-week reporting period and, at the close of the year, actual attendance is calculated by the TEA. The attendance reports are subject to audit by the TEA and final State Foundation Program earnings may be adjusted as a result of any such audit. During the years ended June 30, 2022 and 2021, the Academy was paid \$14,576,899 and \$13,247,466, respectively, of State foundation program funds of which all was earned (before any possible TEA enrollment and attendance audit).

NOTE 13 – RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents represent cash held with the Academy's fiscal agent or trustee, Bank of New York Mellon Trust Company, N.A., for the 2010Q, 2015A, and 2015B bonds. As of June 30, 2022 and 2021, a debt service reserve of \$88,281 and \$88,209 were established in accordance with bond covenants for the 2010Q bonds. In addition, the fiscal agent is holding cash on behalf of the Academy for future debt service requirements on bond series' 2010Q, 2015A, and 2015B, along with related interest earnings, in the amounts of \$3,249,791 and \$2,872,857 as of June 30, 2022 and 2021 respectively.

NOTE 14 – SUBSEQUENT EVENTS

In December 2022, the Hilshire Village Cultural Education Facilities Finance Corporation (the "Corporation") issued the following loans: \$2,321,775 tax-exempt loan and \$134,587 taxable loan. A portion of the proceeds of the tax-exempt loan were loaned to the Academy to refund the Series 2010Q Taxable Education Revenue Bond's outstanding principal balance of \$2,130,00; to pay the accrued interest; and to pay a portion of the costs of issuance of the loan. The proceeds of the taxable loan were loaned to the Academy to pay the remaining costs of issuance of the tax-exempt loan. As a result of the tax-exempt and taxable loans, the 2010Q bond is considered to be defeased. The terms of the tax-exempt loan include 20 semi-annual payments of principal and interest beginning in February 2023. The final payment will be due August 2034. The terms of the taxable loan include two principal and interest payments beginning in February 2023, with the final payment being due August 2023.

In September 2022, the Academy sold the property located at 201 Houston Street, League City for \$735,000, which exceeded its books value by approximately \$46,042.

In December 2022, the Academy signed a purchase-sale agreement to purchase a property previously sub-leased in Galveston, Texas for \$3,800,000. Final close-out of this property is pending.

Management has evaluated subsequent events through December 8, 2022. This was the date the financial statements were available to be issued. No changes were made to the financial statements as a result of this evaluation.

SUPPLEMENTARY INFORMATION

ODYSSEY 2020 ACADEMY, INC.

STATEMENTS OF ACTIVITIES For the Year Ended June 30, 2022 (With Summarized Information for 2021)

	Without Donor	With Donor	Totals	
	Restrictions	Restrictions	2022	2021
REVENUES				
Local Support:				
5740 Other revenues from local sources	\$ 933,042	\$ -	\$ 933,042	\$ 1,584,634
5749 Other revenues from local sources	4,500	-	4,500	
5750 Food services, cocurricular & enterprising	165,118	-	165,118	112,938
Total local support	<u>1,102,660</u>	<u>-</u>	<u>1,102,660</u>	<u>1,697,572</u>
State Program Revenues:				
5810 Foundation school program	-	14,576,899	14,576,899	13,247,466
5820 State program revenues distributed by Texas Education Agency	-	39,237	39,237	149,363
Total state program revenues	<u>-</u>	<u>14,616,136</u>	<u>14,616,136</u>	<u>13,396,829</u>
Federal Program Revenues:				
5920 Federal revenues distributed by Texas Education Agency	-	4,690,734	4,690,734	2,188,493
5930 Federal revenues distributed by other State of Texas governments	-	558,277	558,277	468,328.00
Total federal program revenues	<u>-</u>	<u>5,249,011</u>	<u>5,249,011</u>	<u>2,656,821</u>
Net assets released from restrictions:				
Satisfaction of program restrictions	19,701,722	(19,701,722)	-	-
TOTAL REVENUES	<u>20,804,382</u>	<u>163,425</u>	<u>20,967,807</u>	<u>17,751,222</u>
EXPENSES				
11 Instruction	9,831,906	-	9,831,906	8,122,366
12 Instructional resources and media services	214,390	-	214,390	131,502
13 Curriculum and instructional staff development	426,466	-	426,466	360,066
21 Instructional leadership	275,877	-	275,877	265,104
23 School leadership	1,130,480	-	1,130,480	1,097,181
31 Guidance, counseling and evaluation services	334,293	-	334,293	219,799
33 Health services	168,373	-	168,373	264,302
34 Student transportation	71,475	-	71,475	72,557
35 Food services	1,047,970	-	1,047,970	796,518
36 Co-curricular/extracurricular activities	68,284	-	68,284	38,435
41 General administration	872,304	-	872,304	839,914
51 Plant maintenance and operations	3,639,370	-	3,639,370	3,247,921
52 Security and monitoring	138,424	-	138,424	121,944
53 Data processing services	368,236	-	368,236	269,612
61 Community services	81,834	-	81,834	78,589
71 Debt service	1,081,826	-	1,081,826	1,103,648
TOTAL EXPENSES	<u>19,751,508</u>	<u>-</u>	<u>19,751,508</u>	<u>17,029,458</u>
CHANGE IN NET ASSETS	1,052,874	163,425	1,216,299	721,764
NET ASSETS, BEGINNING OF YEAR	4,302,205	-	4,302,205	3,580,441
NET ASSETS, END OF YEAR	<u>\$ 5,355,079</u>	<u>\$ 163,425</u>	<u>\$ 5,518,504</u>	<u>\$ 4,302,205</u>

ODYSSEY 2020 ACADEMY, INC.

SCHEDULES OF EXPENSES
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
6100 Payroll costs	\$ 12,372,172	\$ 10,894,725
6200 Professional and contracted services	3,079,905	2,632,562
6300 Supplies and materials	1,627,878	1,169,755
6400 Other operating costs	1,589,727	1,228,768
6500 Debt	1,081,826	1,103,648
Total Expenses	<u>\$ 19,751,508</u>	<u>\$ 17,029,458</u>

ODYSSEY 2020 ACADEMY, INC.

SCHEDULES OF CAPITAL ASSETS For the Years Ended June 30, 2022 and 2021

2022				
Ownership Interest				
	Local	State	Federal	Total
1510 Land and improvements	\$ -	\$ 5,405,000	\$ -	\$ 5,405,000
1521 Building and improvements	-	17,136,467	-	17,136,467
1531 Vehicles	-	135,679	-	135,679
1539 Furniture and equipment	-	2,867,014	-	2,867,014
1569 Library books and media	-	5,475	-	5,475
Total property and equipment	\$ -	\$ 25,549,635	\$ -	\$ 25,549,635
2021				
Ownership Interest				
	Local	State	Federal	Total
1510 Land and improvements	\$ -	5,405,000	\$ -	\$ 5,405,000
1521 Building and improvements	-	16,719,269	-	16,719,269
1531 Vehicles	-	136,289	-	136,289
1539 Furniture and equipment	-	2,867,013	-	2,867,013
1569 Library books and media	-	5,475	-	5,475
Total property and equipment	\$ -	\$ 25,133,046	\$ -	\$ 25,133,046

ODYSSEY 2020 ACADEMY, INC.

BUDGETARY COMPARISON SCHEDULE For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Actual Compared to Final Budgeted Amounts		Explanation (see references)	Original Budget Compared to Final Budget		Explanation (see references)
	Original	Final		\$ Variance	% Variance		\$ Variance	% Variance	
	Unaudited	Unaudited		Unaudited	Unaudited		Unaudited	Unaudited	
REVENUES									
5700 Local and intermediate sources	\$ 1,130,217	\$ 1,115,844	\$ 1,102,660	\$ (13,184)	-1%		\$ (14,373)	-1%	
	<u>1,130,217</u>	<u>1,115,844</u>	<u>1,102,660</u>	<u>(13,184)</u>					
5800 State program revenues	<u>14,761,388</u>	<u>14,709,654</u>	<u>14,616,136</u>	<u>(93,518)</u>	-1%		(51,734)	0%	
	<u>14,761,388</u>	<u>14,709,654</u>	<u>14,616,136</u>	<u>(93,518)</u>					
5900 Federal program revenues	<u>4,908,870</u>	<u>5,449,936</u>	<u>5,249,011</u>	<u>(200,925)</u>	-4%		541,066	11%	{b}
TOTAL REVENUES	<u>20,800,475</u>	<u>21,275,434</u>	<u>20,967,807</u>	<u>(307,627)</u>					
EXPENSES									
11 Instruction	10,847,638	10,695,018	9,831,906	863,112	8%		152,620	1%	
12 Instructional resources and media services	237,373	239,008	214,390	24,618	10%	{a}	(1,635)	-1%	
13 Curriculum and instructional staff development	542,947	456,612	426,466	30,146	7%		86,335	16%	{c}
21 Instructional leadership	286,058	304,688	275,877	28,811	9%		(18,630)	-7%	
23 School leadership	1,197,284	1,249,411	1,130,480	118,931	10%	{a}	(52,127)	-4%	
31 Guidance, counseling and evaluation services	396,538	380,349	334,293	46,056	12%	{a}	16,189	4%	
33 Health services	242,667	193,997	168,373	25,624	13%	{a}	48,670	20%	{d}
34 Student transportation	56,747	77,887	71,475	6,412	8%		(21,140)	-37%	{e}
35 Food services	756,263	1,264,024	1,047,970	216,054	17%	{a}	(507,761)	-67%	{f}
36 Co-curricular/extracurricular activities	36,342	71,097	68,284	2,813	4%		(34,755)	-96%	{g}
41 General administration	877,129	944,974	872,304	72,670	8%		(67,845)	-8%	
51 Plant maintenance and operations	3,704,880	3,647,341	3,639,370	7,971	0%		57,539	2%	
52 Security and monitoring	123,530	139,723	138,424	1,299	1%		(16,193)	-13%	{h}
53 Data processing services	419,609	429,909	368,236	61,673	14%	{a}	(10,300)	-2%	
61 Community services	99,457	95,787	81,834	13,953	15%	{a}	3,670	4%	
71 Debt service	976,013	1,086,320	1,081,826	4,494	0%		(110,307)	-11%	{i}
TOTAL EXPENSES	<u>20,800,475</u>	<u>21,276,145</u>	<u>19,751,508</u>	<u>1,524,637</u>					
CHANGE IN NET ASSETS	-	(711)	1,216,299	1,217,010					
NET ASSETS, BEGINNING OF YEAR			<u>4,302,205</u>						
NET ASSETS, END OF YEAR			<u>\$ 5,518,504</u>						

Reference

- {a} Utilized Federal ESSER funding to reduce payroll expenses in state budget. Budgeting those expenses to ESSER increased overall budget, while allowing total expenses to stay the same. Did not adjust state budget based on the lower payroll expenses in order to keep a balanced budget.
- {b} Increased usage of ESSER funds and additional child nutrition revenue due to transitioning back to full time, in person instruction.
- {c} Lower C&I costs due to transitioning back to full time, in person instruction.
- {d} Lower health costs due to relaxation of some pandemic requirements (masks, ppe, etc.)
- {e} Increased costs associated with returning to full time, in person instruction.
- {f} Increase in child nutrition demand caused an increase in expenses, due to transitioning back to full time, in person instruction.
- {g} Increase in co-curricular/extracurricular expenses due to transitioning back to full time, in person instruction.
- {h} SRO contracted costs increased in January of 2022.
- {i} Odyssey Academy had not initially budgeted costs associated with issuance of debt amortization.

ODYSSEY 2020 ACADEMY, INC.

**SCHEDULE OF REAL PROPERTY INTEREST OWNERSHIP
For the Year Ended June 30, 2022**

<u>Description</u>	<u>Property Adress</u>	<u>Total Assessed Value</u>	<u>Ownership Interest</u>			
			<u>Local</u>	<u>State</u>	<u>Federal</u>	<u>Total</u>
ABST 3 Page 8 Lot 1, 2 & S 1/2 of Lot 3 & PT of Lots 11 & 12 BLK 4 and PT of BLK 3 Galveston County Farms & PT of Alley Way	218 E Main St League City Texas 77573	\$ 519,560	\$ -	\$ 146,732	\$ -	\$ 146,732
ABST 121 Hall & Jones SUR PT of Reserve a BLK 1 (1-0-2) HEB PLAZA (2006)	6025 Stewart Rd., Galveston Texas 77551	2,244,570	-	5,258,268	-	5,258,268
TRS 11 & 12C Ruggles West	2600 Stanley Ln., El Lago Texas 77586	-	-	-	-	-
		<u>\$ 2,764,130</u>	<u>\$ -</u>	<u>\$ 5,405,000</u>	<u>\$ -</u>	<u>\$ 5,405,000</u>

ODYSSEY 2020 ACADEMY, INC.

**SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year Ended June 30, 2022**

Not Applicable.

ODYSSEY 2020 ACADEMY, INC.

**SCHEDULE OF RELATED PARTY TRANSACTIONS AND BENEFITS
For the Year Ended June 30, 2022**

Not Applicable.

ODYSSEY 2020 ACADEMY, INC.

USE OF FUNDS – SELECT STATE OF ALLOTMENT PROGRAMS For the Year Ended June 30, 2022

Data Codes

Responses

Section A: Compensatory Education Programs

Districts are required to use at least 55% of state compensatory education state allotment funds on direct program		
AP1	Did your School expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the School have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the school's fiscal year.	\$1,005,881
AP4	List the actual direct program expenditures for state compensatory education programs during the School's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$1,200,465

Section B: Bilingual Education Programs

Districts are required to use at least 55% of bilingual education state allotment funds on direct program costs.		
AP5	Did your School expend any bilingual education program state allotment funds during the School's fiscal year?	Yes
AP6	Does the School have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the School's fiscal year.	\$79,258
AP8	List the actual direct program expenditures for bilingual education programs during the School's fiscal year. (PICs 25, 35)	\$131,163

SINGLE AUDIT SECTION

ODYSSEY 2020 ACADEMY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing #	Pass-Through Entity ID Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Texas Education Agency:</i>				
Title I Grants to Local Educational Agencies	84.010A	20610101084802	\$ -	\$ 242,561
Special Education Grants to States (IDEA-B, Formula)	84.027A	20610101084802	-	188,504
COVID-19, Special Education Grants to States (IDEA-B, Formula)	84.027A	20610101084802	-	65,125
Special Education Grants to States (IDEA-B, Discretionary)	84.027A	20610101084802	-	150,004
			-	403,633
Career and Technical Education - Basic Grants to States (Perkins V)	84.048A	20610101084802	-	12,698
Special Education - Preschool Grants (IDEA, Preschool)	84.173A	20610101084802	-	8,868
COVID-19, Special Education - Preschool Grants (IDEA, Preschool)	84.173A	20610101084802	-	8,832
			-	17,700
English Language Acquisition State Grants	84.365A	20610101084802	-	26,776
Supporting Effective Instruction State Grants	84.367A	20610101084802	-	25,844
Student Support and Academic Enrichment Program	84.424A	20610101084802	-	75,254
<u>Education Stabilization Fund:</u>				
Elementary and Secondary School Emergency Relief Fund (ESSER Grant)	84.425D	20610101084802	-	27,229
COVID-19, Elementary and Secondary School Emergency Relief Fund (CRRSA ESSER II)	84.425D	20610101084802	-	981,660
COVID-19, Elementary and Secondary School Emergency Relief Fund (ARP ESSER III)	84.425U	20610101084802	-	1,553,588
			-	2,562,477
Total Passed Through Texas Education Agency			-	3,366,943
Total U.S. Department of Education			\$ -	\$ 3,366,943
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Texas Department of Agriculture:</i>				
National School Lunch Program	10.555	N/A	\$ -	\$ 28,631
Total Passed Through Texas Department of Agriculture			-	28,631
<i>Passed Through Texas Education Agency:</i>				
School Breakfast Program	10.553	71402001	-	254,957
National School Lunch Program	10.555	71302001	-	815,668
Commodity Supplemental Food Program	10.565	N/A	-	63,241
Total Passed Through Texas Education Agency			-	1,133,866
Total U.S. Department of Agriculture			-	1,162,497
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 4,529,440
Federal revenue per SEFA				\$ 4,529,440
Federal bond interest subsidy				243,766
Federal school health and related services				475,805
Total federal revenue per statement of activities				\$ 5,249,011

See accompanying notes to the schedule of expenditures of federal awards.

ODYSSEY 2020 ACADEMY, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “SEFA”) includes the federal grant activity of Odyssey 2020 Academy, Inc. dba Robert A. Mosbacher, Sr. Odyssey Academy (the Academy”) under programs of the federal government for the year ended June 30, 2022. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the Academy, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Academy.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Subpart E of the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The accompanying SEFA is presented on the accrual basis of accounting. The accrual basis of accounting is described in Note 1 to the financial statements.

NOTE 3 – INDIRECT COST RATE

The Academy has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 –CONTINGENCIES

Federal grants received by the Academy are subject to review and audit by grantor agencies. The Academy’s management believes that the results of such audits will not have a material effect on the SEFA.



**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***

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Odyssey 2020 Academy, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Odyssey 2020 Academy, Inc. dba Robert A. Mosbacher, Sr. Odyssey Academy (the "Academy"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 8, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Academy's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws,



McConnell Jones

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*.

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

Houston, Texas
December 8, 2022



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Odyssey 2020 Academy, Inc.:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Odyssey 2020 Academy Inc.'s dba Robert A. Mosbacher, Sr. Odyssey Academy (the "Academy") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Academy's major federal programs for the year ended June 30, 2022, The Academy's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Academy's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements



of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Academy's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Academy's compliance based on our audit. 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 U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Academy's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Academy's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Academy's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in



McConnell Jones

internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McConnell & Jones

Houston, Texas
December 8, 2022

ODYSSEY 2020 ACADEMY, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022**

PART 1: SUMMARY OF AUDITOR’S RESULTS

Financial Statement Section

- | | |
|---|------------|
| 1. Type of auditor’s report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a) Material weakness identified? | No |
| b) Significant deficiencies identified, which are not considered to be material weaknesses? | No |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards Section

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a) Material weaknesses identified? | No |
| b) Significant deficiencies identified, which are not considered to be material weaknesses? | No |
| 2. Type of auditor’s report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed, which are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |

4. Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
	<u>Education Stabilization Fund:</u>
84.425D	Elementary and Secondary School Emergency Relief Fund (ESSER Grant)
84.425D	COVID-19, Elementary and Secondary School Emergency Relief Fund (CRRSA ESSER II)
84.425U	COVID-19, Elementary and Secondary School Emergency Relief Fund (ARP ESSER III)

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B federal programs: | \$750,000 |
|---|-----------|

- | | |
|--|-----|
| 6. Auditee qualified as low-risk auditee under 2 CFR Section 200.520 | Yes |
|--|-----|

ODYSSEY 2020 ACADEMY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

II. FINANCIAL STATEMENT FINDINGS

None identified.

ODYSSEY 2020 ACADEMY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None identified.

ODYSSEY 2020 ACADEMY, INC.

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2022**

No audit findings were reported in fiscal year ended June 30, 2021.