

APPENDIX A: 2014-15 CHARTER SCHOOL ANNUAL REPORT

PART 1: SCHOOL INFORMATION AND EXECUTIVE SUMMARY	
Name of Charter School:	Year School Opened:
Odyssey Community School	1997
Street Address:	City/Zip Code:
579 West Middle Turnpike	Manchester, CT 06040
School Director:	School Director Contact Information:
Elaine Stancliffe	estancliffe@odysseyschool.org /860-645-1234 ext.156
Grades Authorized to Serve in 2014-15:	Charter Term:
K-8	2015-2020
<p>1. Executive Summary: Provide a cover letter or executive summary highlighting school progress, performance, accomplishments, and major changes during the 2014-15 school year. Include a brief narrative on the school’s unique model and student population.</p>	
<p>Odyssey opened school a week later than Manchester Public Schools to accommodate the construction timetable for our last major project which was the creation of a new entryway, office, lockdown vestibule and lobby. The timing of our building project was perfect in that we were able to include the new specifications for new or remodeled schools. We have bullet proof glass in the exterior doors and vestibule, clear sight lines for office staff who are responding to people who are requesting to be buzzed into the school, and a lockdown vestibule to slow down any attempted intrusion until police arrive. We also have a large canopy which protects the stairs and provides vastly improved lighting for night events. Our other three exit doors were also changed out to bullet proof doors.</p> <p>Part of the construction plan was to remove all of the unsafe and overgrown bushes and shrubs that ran along the front of the school. We eliminated any potential hiding places by replacing them with well spaced, lower flowers that make for a safer, more attractive sight line along the front of the building.</p> <p>Odyssey successfully applied for Debt Repayment Bond Funds which paid off the balance of the \$1.2 million dollar loan for the previous school expansion project. This was fortunate in that the new front entrance requirements for new or remodeled schools brought the cost of our \$300,000 project to \$600,000. We were able to secure a bank loan for the shortage and keep on schedule with our construction project.</p> <p>To make our school more financially secure, we applied for and were awarded seats for three additional students, bring our K-8 census from 324 to 327.</p> <p>Odyssey applied for and was awarded a State PEGPETIA grant for equipment which will allow digital video streaming throughout the school. During the 2015 2016 school year we will be able to stream morning announcements on classroom Smart Boards. It will also allow family members with a password to view live streams in the future of classroom events, graduation, etc.</p> <p>To prepare for our first year of SBAC testing, Odyssey invested in the purchase of 40 additional Chromebook computers to help us avoid any access problems during testing. We also invested in additional wireless access points to avoid potential connectivity problems.</p>	

Our Board authorized administration to prepare for a new experiment during the next school year. 40 Chromebook computers will be purchased to enable 8th graders to bring home the computer assigned to them. If there are parents who do not wish to be personally responsible for the computer, a computer will be assigned to that students to be signed out each morning and returned each afternoon. If this experiment proves to be successful, we may decide to expand the program in the future to include 7th graders.

A year long research and evaluation process was undertaken to find a school wide curriculum to replace the Saxon Math curriculum we had been using. By year’s end the decision was made to switch to the Eureka curriculum, with the intent of the program being up and running when students returned to school in August, 2015.

PART 2: SCHOOL PERFORMANCE

School Goals: State the school’s mission statement. Provide the school’s mission-specific, measurable goals. Analyze school progress toward these goals, providing data as appropriate. Add/Remove rows, as necessary.

Mission Statement:

Odyssey Community School provides a positive elementary and middle school experience that emphasizes academic excellence, the ability to communicate effectively using traditional and technological media, and the development of strong character and self-confidence. The unique mind and heart of each child is nurtured as students are taught to internalize the CIRCLE values (Courage, Integrity, Respect, Curiosity, Leadership and Excellence) and to become productive members of their community.

Goal Statement:

Students will graduate Odyssey with high levels of competence in all subject areas and will demonstrate skills needed to excel in the 21st century, including critical thinking, problem solving, creativity, technological aptitude and global awareness.

Evidence of Progress toward Goal:

- 78% of our K-8 students made at least one year’s worth of progress from fall to spring as measured by our benchmark reading assessments.
- 66% of our K-8 students made at least one year’s worth of progress from fall to spring as measured by our benchmark math assessments.
- 88.9% of our 8th grade students and 75.7% of our 5th graders scored at the Proficient level or higher on the Science CMTs.
- Representatives from CREC worked with Odyssey staff to review and revise curriculum and instruction to align with Common Core State Standards. Teachers received extensive training to ensure the successful implementation of Common Core during the 2014-2015 school year.

Students at Odyssey will demonstrate respectful behavior towards adults and peers. Odyssey will foster an environment that embraces the CIRCLE values – Courage, Integrity, Respect, Curiosity, Leadership and Excellence – and promotes them as the foundation for all interactions.

Character development is stressed in numerous ways on a daily basis as a way of enforcing a school climate that is tolerant, supportive and caring, with high academic and behavioral expectations for students. Students in all grades receive character instruction, and learn to apply the CIRCLE values in order to become responsible citizens. Older students serve as buddies and mentors for younger students. Bullying behavior is not tolerated and is dealt with immediately.

During the 2014-2015 school year, Odyssey’s PBIS

	committee focused on implementing school-wide interventions to promote positive behaviors. A major focus this year was to strengthen supports that were given to students in need of Tier II and III behavioral interventions, such as meeting with teacher mentors and receiving instruction in social skills. As a result, we saw a 10% decrease in the total number of office referrals for the year, as compared to the 2013-2014 school year.
Odyssey will continue with the Advisory Program, which aligns middle school teachers with small groups of students for mentoring. Clear objectives are stressed to reinforce the CIRCLE values and foster positive feelings among all students. Advisors will have access to information on their advisees through the school data base.	Odyssey students met in advisory groups approximately once per month. Teachers led discussions with students during this time on topics such as bullying prevention and academic and personal goal setting.
Odyssey will embrace the philosophy of interdisciplinary instruction and will develop curricular units that support interdisciplinary instruction.	Three school-wide interdisciplinary units were offered during the 2014-2015 school year. These units were Health and Wellness, Latin America, and Oceans. Students participated in mixed age instruction, school activities, field trips, and guest speakers.
The Odyssey Media and Technology Curriculum will be integrated in all subject areas. The subject matter curricula will reflect such integration.	MCC classes are Odyssey's mission-driven classes, and include Media Literacy, Character and Communications. Students in grades 3-8 take MCC class at least one block (6 weeks) per year. Our technology education teacher provided multiple professional development opportunities to teachers during the 2014-2015 school year in order to support the successful integration of technology into planning and instruction. 25% of teachers implemented Google Classroom to manage and distribute work between teacher and students, and provide real time feedback/grading. 100% of teachers used Google Drive to collaborate within the school and with students. Approximately half of our middle school teachers collaborated with our technology teacher to develop audio and video multimedia presentations with students.

Student Achievement: Provide data summarizing school performance and academic achievement. Using the blank space provided, include data evidencing student growth and progress toward closing achievement gaps, including an analysis of normed benchmark assessment data.

Performance Metric:	*2011-12:	*2012-13:	*2013-14:	2014-15:
Average daily attendance rate: See June 2015 PSIS Report for data	95.4	95.2	95.3	95.8
Chronic absenteeism rate: See June 2015 PSIS Report for data	8.9	9.4	11.7	7.2
Number of in-school suspensions:	9	7	20	21
Number of out-of-school suspensions:	9	6	13	6
Number of expulsions:	0	0	0	0
Percent of students with 1+ suspension/expulsion:	4.5	3.1	5.8	5.8

Cohort graduation rate (if applicable):				N/A
Holding power rate (if applicable):				N/A
Overall School Performance Index CMT (SPI):	80.4	79.5		N/A
Overall host District Performance Index CMT (DPI):	75.7	72.3		N/A

The following table shows the percentage of K-8 students by race who met 2015 spring target scores on our benchmark assessments.

	Reading	Math
Asian	88%	88%
Black	69%	65%
Hispanic	60%	69%
White	78%	76%

Our discipline data shows that 45% of all office referrals were for white students, 22% were for black students, 17% were for Hispanic students, and 9% were for Asian students. 39% of suspensions were white students, 30% were black students, and 30% were Hispanic students.

Best Practice: In 250 words or less, summarize an emerging best practice at your school in the areas of academics, instruction, or school climate (e.g. extended instructional time, supports for English learners, positive behavior management, college access). Describe the concrete strategy and its impact on student learning and/or the school climate referencing quantitative data. Provide evidence of collaboration with local school districts in this area, as appropriate.

3rd Grade Intervention Block- During the 2013-2014 school year, Odyssey began implementing our Intervention Block in grades K-2. This is a half hour block of time in each day where all students in the grade receive either Tier II interventions, remedial support, or enrichment depending on individual needs. Targeted instruction is provided by classroom teachers, interventionists, and trained paraprofessionals. The number of adults instructing during this time allows groups to remain small (3-5 students), with a larger group for enrichment. Students are consistently monitored for progress, and receive more or less support based on growth. Intervention block is focused on reading 3 days per week and math 1 day per week.

Assessment data after our first year of implementing Intervention Block showed overall improvement in student scores from the previous year. In order to support more children using this model, we began implementing Intervention Block in our 3rd grade during the 2014-2015 school year. The model in 3rd grade is implemented in the same way as in K-2.

The following table shows the percentage of students who scored in the range of average or above on our fall and spring benchmark assessments.

	2012-2013				2013-2014				2014-2015			
					*Intervention Block implemented in K-2				*Intervention Block implemented in K-3			
	Reading		Math		Reading		Math		Reading		Math	
	Fall	Spring	Fall	Spring	Fall	Spring	Fall	Spring	Fall	Spring	Fall	Spring
Kindergarten	72%	89%	80%	82%	83%	94%	67%	87%	92%	95%	78%	86%
Grade 1	44%	43%	59%	36%	56%	53%	71%	60%	86%	91%	84%	91%
Grade 2	56%	49%	61%	72%	54%	53%	57%	66%	60%	62%	63%	71%
Grade 3	58%	69%	49%	53%	60%	77%	61%	80%	59%	83%	66%	72%

PART 3: STEWARDSHIP, GOVERNANCE, AND MANAGEMENT

Financial Documents: (1) As required by C.G.S. § 10-66cc(b)(2), submit FY 2014 certified audit statements, including the statement of activities (showing all revenues from public and private sources, expenditures, and net operating gain/loss), balance sheet, and statement of cash flows. (2) Provide the FY 2015 budget comparing submitted budget versus actual figures, with summary explanations of all major variances. (3) Provide a FY 2016 board-approved budget, summarizing all assumptions and major variances from FY 2015.

Financial Condition: Provide the following financial data for FY 2015.

Total margin (net income / total revenue):	17.44%
Debt to asset ratio (total liabilities / total assets):	19.89%
Debt service coverage ratio (net income + depreciation + interest expense) / (principal + interest payments):	90%
Current asset ratio (current assets / current liabilities):	189.59%
Days of unrestricted cash ((total expenditures - depreciation) / 365):	9576.9
Cash flow (change in cash balance):	\$26,222

Governing Board: Consistent with C.G.S. § 10-66bb(d)(3)(A), provide the following information for all governing board members.

Name:	Occupation:	Board Role/Term:	Mailing/Email:	Background Check:
Elizabeth Mix	Director, Youth Services	President	mixe@cigov.com	Yes
Cynthia Merrill	CPA	VPres/Treasurer	cmerrill@walshct.com	Yes
Malcolm Barlow	Attorney at Law	Trustee	mfbarrow@barlow-murphy.com	Yes
Anita Baten	Retired teacher	Trustee	anitabaten@gmail.com	Yes
Chris Bugbee	Principal	Ex-Officio	cbugbee@odysseyschool.org	Yes
Steve Gustafson	Teacher	Teacher Rep.	sgustafson@odysseyschool.org	Yes

LKimyachi	Teacher	Teacher Alternate	lkimyachi@odysseyschool.org	Yes
Kevin Rockoff	Real Estate	Trustee	kevin@rockoff.com	Yes
Elaine Stancliffe	Executive Director	Ex-Officio	estancliffe@odysseyschool.org	Yes
Nancy Barnwell	Prudential Insurance	Trustee	nbarnwell@prudential.com	Yes

Renewal Terms and Corrective Items: Provide an update on terms and conditions established in the charter school’s most recent renewal; summarize actions taken and progress data to substantiate efforts to address such terms and conditions of renewal. Please note the chart below is pre-populated to include terms and conditions identified in the school’s last renewal resolution.

Standard/Indicator:	Term or Condition:	Progress Update:
1.3 School Culture and Climate	Plan to target chronic absenteeism reduction. Plan due to CSDE on September 30, 2015.	See below

Plan to Target Chronic Absenteeism Reduction

In the 2013-2014 school year, Odyssey School had 11.7% students who were considered chronically absent. The following plan is designed to address this issue and reduce this number.

Causes of Chronic Absenteeism

We have determined two major causes of chronic absenteeism. First is parents’ unawareness or lack of concern for the importance of having their children here every day. This is evidenced by students who have sporadic absences. For example, a student might be absent on a Monday and again on the Thursday of the same week. This is also evidenced by students missing on particular day. For example, Fridays are half days at our school. A student might often miss school on Friday because it is considered less important.

The second cause of chronic absenteeism at our school is extended vacations. We have had several families, particularly of younger students, take their students out of the country for several weeks. This has often happened at the beginning or end of the school year, and it often takes the student out of school for weeks or even months.

Plan

In order to address both causes, we focused on increased parent communication and a more structured response to each. To address the first cause, a letter is automatically sent home when a child reaches nine (9) absences. This letter will remind parents that subsequent absences will be considered “unexcused” unless excused by a doctor’s note or other “Acceptable Reason” as defined in 2015-1016 Odyssey School Student Handbook. When a student reaches twelve (12) absences, the student’s parents will be invited in for a meeting with a school administrator. Should excessive absences continue after that, we will report to the Department of Children and Families (DCF). A data team will meet once a month to review progress.

In order to address the second cause, we are increasing our efforts to communicate our expectation that students are not permitted to take extended vacations during the school year. We are now including this information as part of our initial literature when families apply to our school. We have also sent letters home explaining the policy.

This plan was put in effect in January 2015. At the end of last year we had 7.2% students chronically absent – a decrease of

4.5 % from the previous school year.

Best Practice: In 250 words or less, summarize an emerging best practice at your school in the areas of stewardship, governance, and management (e.g., financial management, technology, school operations). Describe the concrete strategy and its impact on the school referencing quantitative data. Provide evidence of collaboration with local school districts in this area, as appropriate.

This year we continued our commitment to technology by increasing our iMac Media Lab to include an additional 13 iMacs to give us a total of 20. This provides a 1:1 student/computer ratio which teachers to bring full classes students to the lab. Students in grades 5-8 are taught to use the audio and video editing software. This technology is used across our curricula including claymation cell project, video book talks, soundtrack compositions, book trailers and pod casting.

In addition to the new computers we developed a staff training on integrating technology into all classrooms. We also provided training in Google Classroom for our teachers. With the increase in technology and training, teachers have reported an average of 31% increase in technology use from the previous year.

PART 4: STUDENT POPULATION

Enrollment and Demographic Data: Provide 2014-15 student demographic and enrollment information.

Grades Served:	K-8	Student Enrollment:	328
% Free/Reduced-Price Lunch:	32%	% Black:	22%
% Special Education:	8%	% Hispanic:	16%
% Limited English Proficiency:	0%	% Caucasian:	46%

2014-15 Enrollment by Grade Level:

PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
0	37	37	37	37	37	37	33	37	36	0	0	0	0	328

Enrollment Efforts: Summarize the school's efforts to attract, enroll, and retain a diverse and representative student population, including minority students, low-income students, English learners, and students with disabilities.

Though we have a diverse student population at Odyssey, we have noticed that our Hispanic population does not mirror that of Manchester. We have also found that we have a large Indian population which we attribute to strong word of mouth within the community. In order to attract a more diverse representative student population, we have expanded our recruitment efforts to include daycare facilities in all areas of Manchester. We are also looking to expand our efforts in surrounding towns.

Waitlist Data: Provide waitlist totals below, illustrating demand and community support for the school.

2011-12 Waitlist:	2012-13 Waitlist:	2013-14 Waitlist:	2014-15 Waitlist:
36	193	157	102
<p>Best Practice: In 250 words or less, summarize an emerging best practice at your school in the areas of student populations (e.g., family and community engagement, recruitment processes, retention strategies). Describe the concrete strategy and its impact on the school referencing quantitative data. Provide evidence of collaboration with local school districts in this area, as appropriate.</p>			
<p>Last year we implemented our First Five Minutes program. The purpose of this program was to address the issue of student tardiness. Rather than target certain families of the chronic offenders, we took a community approach to educating and communicating the importance of students being present and ready for the first five minutes of school. This consisted of postcards sent home, posters in the school to gauge to daily progress, videos and student incentives. The average percentage of students on-time rose from 96.8% in March (before we implemented the program), to an average of 98.3% the rest of the year. Equally important was the positive feedback we received from our parents. Many parents commented on the fact that they had simply never thought about it, and when the realized the importance of the first five minutes they increased their efforts to get here on time.</p>			

APPENDIX B: STATEMENT OF ASSURANCES

It is imperative that charter schools – as with all other public schools – adopt and uphold the highest ethical and legal standards while delivering excellent academic opportunities for students and their families.

As the authorized representative of Odyssey Community School, to the best of my knowledge, I affirm that:

1. All board members and staff have satisfactorily completed background checks, including a state and national criminal records check and a record check of the Department of Children and Families Child Abuse and Neglect Registry.
2. If applicable, all charter school management organization (CMO) staff members have satisfactorily completed background checks, as described in (1).
3. All contractors, if the nature of the contractor's work entails close proximity to students in the judgment of the Governing Board, have satisfactorily completed background checks, as described in (1).
4. Records of any and all background checks are on file at Odyssey Community School and available for random audit by the Connecticut State Department of Education (CSDE).
5. Odyssey Community School has adopted written anti-nepotism and conflict of interest policies, and that no member or employee of the Governing Board has a personal or financial interest in any asset, real or personal, of the charter school.
6. No board member of Odyssey Community School serves on the board of another charter school or CMO.
7. All public funds received by Odyssey Community School have been, or are being, expended prudently and in a manner required by law.
8. All Governing Board meetings are open and accessible to the public, and that Odyssey Community School has posted, and continues to post, on any Internet website that the Governing Board operates, the schedule, agenda, and minutes of each Governing Board meeting, including any meeting of a subcommittee of the Governing Board.
9. Odyssey Community School does not discriminate in any employment practice, education program, or educational activity on the basis of race, color, religious creed, sex, age, national origin, ancestry, marital status, sexual orientation, gender identity or expression, disability, or any other basis prohibited by Connecticut state and/or federal nondiscrimination laws.

By signing this Statement of Assurances on behalf of the Governing Board of Odyssey Community School, I acknowledge that I understand the terms contained herein and affirm the validity of each statement to the best of my knowledge. I further understand that Odyssey Community School may be subject to random audit by the CSDE to verify these statements.

Signature:



Name of Board Chairperson:

Elizabeth Mix

Date:

9/28/15

APPENDIX C: 2016-17 PRELIMINARY ENROLLMENT REQUEST

Directions: On an annual basis, charter schools must submit an enrollment request for the following school year. Consistent with C.G.S. § 10-66bb(c), the State Board of Education considers enrollment requests in the context of each school’s charter and record of student achievement.

C.G.S. § 10-66bb(c)(2) places an enrollment cap on the number of students that a state charter school may enroll. However, charter schools with a demonstrated record of achievement may seek a waiver. If the submitted 2016-17 enrollment request requires an enrollment waiver, please specify that below.

1. Complete the table below providing the school’s enrollment and growth history. Submit an enrollment request and growth projections for the upcoming school year.															
School Year:	Actual Enrollment:														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2012-13	0	36	39	35	34	34	39	37	36	34	0	0	0	0	324
2013-14	0	36	38	37	37	37	33	36	37	34	0	0	0	0	325
2014-15	0	37	37	37	37	37	37	33	37	36	0	0	0	0	328
2015-16	0	37	37	37	38	38	38	33	32	38	0	0	0	0	328
School Year:	2016-17 Enrollment Request:														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2016-17															328
2. Based on the request entered above, is the school seeking a waiver to the enrollment cap described in C.G.S. § 10-66bb(c)(2)?													<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
3. Provide a rationale for the enrollment request, including a synopsis of all relevant assumptions.															
4. Summarize the school’s plans to successfully expand and accommodate the needs of the students served (e.g., programming, staffing, facilities, and class size).															

APPENDIX D: CHARTER SCHOOL PERFORMANCE FRAMEWORK

The Connecticut State Department of Education’s (CSDE) charter school performance framework promotes clear and transparent expectations for all charter schools. The four performance standards are central to measuring schools’ efficacy and viability, and align to state law and national best practices among charter school authorizers, as accumulated by the National Association of Charter School Authorizers. Within each standard area, the framework identifies a series of indicators used to evaluate charter schools. The framework drives the CSDE’s charter school accountability systems and processes, including initial approval decisions, annual monitoring, and renewal determinations.

Performance Standards:	
<ol style="list-style-type: none"> 1. School Performance: Is the school a successful model resulting in strong student outcomes and a positive school climate? 2. Stewardship, Governance, and Management: Is the school financially and organizationally healthy and viable? 3. Student Population: Is the school promoting equity by effectively attracting, enrolling, and retaining students, particularly among targeted populations? 4. Legal Compliance: Is the school acting in compliance with applicable laws and regulations? 	
Performance Standards:	Performance Indicators:
1. School Performance	<ol style="list-style-type: none"> 1.1. Student Achievement, Growth, and Gap Closure 1.2. Mission-Specific Goals 1.3. School Culture and Climate 1.4. Instruction 1.5. Academic Program 1.6. Supports for Special Populations
2. Stewardship, Governance, and Management	<ol style="list-style-type: none"> 2.1. Fiscal Viability 2.2. Financial Management 2.3. Governance and Management 2.4. Organizational Capacity 2.5. Accountability Measures 2.6. School Facility
3. Student Population	<ol style="list-style-type: none"> 3.1. Recruitment and Enrollment Process 3.2. Waitlist and Enrollment Data 3.3. Demographic Representation 3.4. Transfer/Retention Rates 3.5. Parental and Community Support
4. Legal Compliance	<ol style="list-style-type: none"> 4.1. Signed Statement of Assurances 4.2. Open Public Meetings

Odyssey Community School
Projected Operating Budget/Current Year Comparison
July 1, 2015 to June 30, 2016

	2014/2015 Budget	2015/2016 Budget
REVENUES		
Contributions-Unrestricted	7,500	5,000
Contributions-temp restricted	-	-
State Grant	3,564,000	3,597,000
Special Education Serv. - Towns	198,512	236,000
Foundation Grants	-	-
Bond Funds	674,045	-
Interest	4,000	3,000
Misc	-	-
Total Revenues	4,448,057	3,841,000
EXPENSES		
Salaries		
Administration	334,029	357,390
Administrative Support	177,748	199,141
Nurses	45,654	52,751
Custodians	83,875	101,618
Paraprofessionals	227,752	219,056
Teachers	1,528,994	1,593,254
Substitutes	10,000	10,000
Teacher Substitute time	1,000	1,000
Lunch Aide	2,500	3,848
Librarian	33,000	33,000
Clubs	1,500	2,250
Total Salaries	2,446,052	2,573,308
Payroll Taxes/Benefits		
FICA	55,129	59,430
Medi for certified	24,500	26,456
Unemp. Tax	25,500	28,000
Health Care & Day Care Reimbursement Acct.	1,500	1,500
403(b) match	15,000	35,000
Hospitalization Reimbursement	2,000	2,000
Emp. Benefits	175,000	230,000
S/T L/T Disability	26,000	28,000
Educational Incentives	3,000	3,600

Total Taxes/Benefits		327,629		413,986
Administration				
Insurance (General property & liability & WC)		28,000		28,000
Copier		16,000		16,000
Office Supplies		10,000		10,000
Promo Materials/Advertising/Printing		3,000		6,500
Postage		2,500		2,500
Health Supplies		1,500		1,500
Administrator's Fund		5,000		5,000
Total Administration		66,000		69,500
Professional Services				
Accounting		12,000		12,000
Payroll Service		3,000		5,000
Legal		1,500		2,500
Medical Advisor		500		500
Total Professional Services		17,000		20,000
Facilities				
Rent		263,785		263,785
Utilities		65,000		65,000
Repairs & Maintenance		15,000		15,000
Facility Supplies & Services		24,000		24,000
Total Facilities		367,785		367,785
Technology				
Equipment/Support/Training/Supplies		10,000		10,000
Total Technology		10,000		10,000
Mission-Driven Programs				
Character Building		3,000		3,750
Total Mission-Driven Programs		3,000		3,750
Curriculum/Supplies				
Physical Education Equip & Supplies		2,000		2,500
Mile Run		500		500
Field Day		500		500
Art Supplies		2,500		3,000
Music Supplies		1,500		2,000
Text Books/Consumable Workbooks		10,000		10,000
School Supplies		20,000		20,000
SPED supplies		1,000		1,500
Library		5,000		7,500
Total Curriculum/Supplies		43,000		47,500
Student Activities				

Financial Aide forTrips		200		200
Total Student Activities		200		200
Professional Development				
Conference		2,500		2,500
Dues/Memberships		6,400		6,400
Travel (mileage reimbursement)		250		2,000
Total Professional Development		9,150		10,900
Capital Improvements				
Building Improvements		6,500		-
Expansion - construction		300,000		-
Expansion - architecture		-		-
Expansion - playground		-		-
Furnishings		4,000		7,000
Total Capital Improvements		310,500		7,000
Rockville Bank Loans		219,270		45,000
Int Exp		9,134		100
misc exp		500		500
Bond funds		647,685		-
		876,589		45,600
Total Expenses		4,476,905		3,569,529
Net Income/Reserve		(28,848)		271,471

Odyssey Community School, Inc.

Financial Statements
and
Independent Auditor's Report

June 30, 2014 and 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Odyssey Community School, Inc.:

We have audited the accompanying financial statements of Odyssey Community School, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Odyssey Community School, Inc. as of June 30, 2014, 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.



Report on Summarized Comparative Information

We have previously audited the Odyssey Community School, Inc.'s 2013 financial statements, and our report dated December 20, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 6 and the accompanying schedule of expenditures of state financial assistance, as required by Connecticut State Single Audit Act, is presented for purposes of additional analysis and is 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 auditing standards generally accepted in the United States of America. In our opinion, the information is 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 19, 2014, on our consideration of Odyssey Community School, Inc.'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 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 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 Odyssey Community School, Inc.'s internal control over financial reporting and compliance.

James A. George, P.C.

JAMES A. GEORGE, P.C.
Wakefield, Massachusetts
December 19, 2014

Odyssey Community School, Inc.
Statements of Financial Position
June 30, 2014 and 2013

Assets

	<u>2014</u>	<u>2013</u>
Current Assets		
Cash and Cash Equivalents	\$ 543,673	\$ 513,085
Trade Receivables	91	11,043
Prepaid Expenses	155	-
Total Current Assets	<u>543,919</u>	<u>524,128</u>
Property and Equipment, Net	<u>2,297,447</u>	<u>2,582,442</u>
Construction in Progress	<u>153,311</u>	<u>-</u>
Other Assets		
Security Deposit	15,780	15,780
Total Other Assets	<u>15,780</u>	<u>15,780</u>
Total Assets	<u>\$ 3,010,457</u>	<u>\$ 3,122,350</u>

Liabilities and Net Assets

Current Liabilities		
Accounts Payable	\$ 63,886	\$ 1,385
Accrued Expenses	219,918	201,279
Line of Credit	-	20,000
Notes Payable, Current Portion	296,020	635,141
Total Current Liabilities	<u>579,824</u>	<u>857,805</u>
Long-Term Liabilities		
Long-Term Portion of Notes Payable	<u>572,625</u>	<u>868,435</u>
Total Long-Term Liabilities	<u>572,625</u>	<u>868,435</u>
Total Liabilities	<u>1,152,449</u>	<u>1,726,240</u>
Net Assets		
Unrestricted Net Assets	<u>1,858,008</u>	<u>1,396,110</u>
Total Net Assets	<u>1,858,008</u>	<u>1,396,110</u>
Total Liabilities and Net Assets	<u>\$ 3,010,457</u>	<u>\$ 3,122,350</u>

See accompanying notes to the financial statements.

Odyssey Community School, Inc.
Statements of Activities
For the Year Ended June 30, 2014
With Comparative Totals for the Year Ended June 30, 2013

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
Operating Revenue				
Grant Income	\$ 3,795,780	\$ -	\$ 3,795,780	\$ 3,341,418
Special Education Services	282,279	-	282,279	308,135
Field Trips	36,074	-	36,074	31,572
Interest Income	2,785	-	2,785	3,718
Other Income	1,540	-	1,540	3,427
Contributions	5,742	93,597	99,339	40,434
Satisfaction of Restrictions	93,597	(93,597)	-	-
Total Operating Revenue	4,217,797	-	4,217,797	3,728,704
Operating Expenses				
Program Services	2,821,997	-	2,821,997	2,646,878
Management and General	933,902	-	933,902	772,392
Total Operating Expenses	3,755,899	-	3,755,899	3,419,270
Change in Net Assets	461,898	-	461,898	309,434
Net Assets - Beginning of Year	1,396,110	-	1,396,110	1,086,676
Net Assets - End of Year	\$ 1,858,008	\$ -	\$ 1,858,008	\$ 1,396,110

See accompanying notes to the financial statements.

Odyssey Community School, Inc.
Statements of Cash Flows
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 461,898	\$ 309,434
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Depreciation	341,865	246,132
(Increase) Decrease in Operating Assets		
Accounts Receivable	10,952	135,564
Prepaid Expenses	(155)	-
Increase (Decrease) in Operating Liabilities		
Accounts Payable	62,500	(43,615)
Accrued Expenses	18,639	23,106
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>895,699</u>	<u>670,621</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	<u>(210,181)</u>	<u>(1,813,252)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(210,181)</u>	<u>(1,813,252)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Debt	(634,840)	(46,423)
Proceeds/(Payments) from Line of Credit	(20,000)	20,000
Proceeds of Loans	<u>-</u>	<u>1,200,000</u>
NET CASH (PROVIDED) / USED BY FINANCING ACTIVITIES	<u>(654,840)</u>	<u>1,173,577</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	30,678	30,946
BEGINNING CASH AND CASH EQUIVALENTS	<u>513,085</u>	<u>482,139</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 543,763</u>	<u>\$ 513,085</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash Paid for Interest	<u>\$ 45,019</u>	<u>\$ 31,743</u>

See accompanying notes to the financial statements.

Odyssey Community School, Inc.
Statements of Functional Expenses
For the Year Ended June 30, 2014
With Comparative Totals for the Year Ended June 30, 2013

	2014			2013
	Program Expenses	General and Administrative	Total	Total
Salaries and Wages	\$ 1,997,640	\$ 373,491	\$ 2,371,131	\$ 2,297,693
Depreciation	-	341,865	341,865	246,132
Benefits	242,056	26,895	268,951	195,739
Rent	232,131	31,654	263,785	218,850
Payroll Taxes	93,035	17,721	110,756	97,897
Utilities	47,638	20,416	68,054	66,733
Other Supplies	63,883	-	63,883	39,936
Program Expense	55,744	-	55,744	38,683
Interest Expense	-	45,019	45,019	31,743
Field Trips	35,437	-	35,437	30,783
Repairs and Maintenance	-	34,123	34,123	42,219
Office Supplies	17,840	11,893	29,733	23,299
Professional Fees	-	20,015	20,015	18,448
Insurance	12,283	1,365	13,648	29,812
Professional Development	9,088	2,272	11,360	9,767
Media Lab	7,349	-	7,349	9,237
Miscellaneous	3,983	2,655	6,638	15,234
Postage	610	2,441	3,051	1,726
Character Building	2,180	-	2,180	1,001
Advertising	-	1,480	1,480	4,336
Travel	1,100	-	1,100	-
Health	-	302	302	-
Minor Equipment	-	295	295	2
Total Expenses	\$ 2,821,997	\$ 933,902	\$ 3,755,899	\$ 3,419,270

See accompanying notes to the financial statements.

Odyssey Community School, Inc.
Notes to the Financial Statements
June 30, 2014 and 2013

Note A – Nature of Activities and Significant Accounting Policies

Nature of Activities

Odyssey Community School, Inc. (the Organization) is a state charter school authorized by Public Act 97-290 which places emphasis on media literacy to develop analytical thinking, communication skills, and experiential learning to connect students with the world outside of school.

Financial Statement Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

In June 2009, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 168, "*FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles - A Replacement of FASB Statement No. 162.*" This guidance establishes the FASB Accounting Standards Codification, (ASC or the Codification) as the source of authoritative GAAP for nongovernmental entities. The Codification supersedes all existing non-Securities and Exchange Commission accounting and reporting standards. This guidance is effective for financial statements issued for interim and annual periods ending after September 15, 2009. As the Codification will not change existing GAAP, the adoption of this guidance did not have an impact on the financial condition or results of operations of the Organization.

Net Assets

The net assets of the Organization have been broken down into three different classifications as follows:

Unrestricted net assets – consist of unrestricted amounts that are available for use in carrying out the mission of the Organization.

Temporarily restricted net assets – consist of those amounts that are donor restricted for a specific purpose. When a donor restriction expires, either by the passage of a stipulated time restriction or by the accomplishment of a specific purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization did not have any temporarily restricted net assets at June 30, 2014 and 2013.

Permanently restricted net assets – result from contributions from donors who place restrictions on the use of donated funds mandating that the original principal remain invested in perpetuity. The Organization did not have any permanently restricted net assets at June 30, 2014 and 2013.

Odyssey Community School, Inc.
Notes to the Financial Statements
June 30, 2014 and 2013

Note A – Nature of Activities and Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

Accounts Receivable

The Organization has receivable balances due from various agencies. Receivables are recorded when the Organization requests reimbursement from these agencies.

Management reviews the receivable balance for collectability and records an allowance for doubtful accounts based on historical information and current economic trends. No allowance for doubtful accounts was recorded as of June 30, 2014 and 2013 as management believes all accounts are fully collectible.

Property and Equipment

Property and equipment with a useful life greater than one year is stated at cost. The Organization's policy is to capitalize property and equipment costing \$500 or more. Depreciation is calculated on a straight-line basis based on the following useful lives:

Leasehold improvements	5 - 10 years
Furniture and equipment	3 - 5 years

The Organization reviews long-lived assets for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Revenue Recognition

The Organization recognizes revenue from government grants when received and is earned.

Prior Year Information

The Statements of Activities and Statements of Functional Expenses include certain prior year summarized comparative information in total, but not by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in

Odyssey Community School, Inc.
Notes to the Financial Statements
June 30, 2014 and 2013

Note A – Nature of Activities and Significant Accounting Policies (Continued)

conjunction with the Organization's financial statements for the year ended June 30, 2013 from which the summarized information was derived.

Income Taxes

The Organization is exempt from income taxes as a charitable organization under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation.

During fiscal year 2010, the Organization was required to adopt certain provisions of FASB ASC 740, "*Income Taxes*" which provide a new framework for how companies should recognize, measure, present and disclose uncertain tax positions in their financial statements. With these changes, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

The Organization does not have any uncertain tax positions as of June 30, 2014. As of June 30, 2014, the Organization did not record any penalties or interest associated with uncertain tax positions. Therefore, the certain provisions of FASB ASC 740, which were adopted during fiscal year 2010, had no impact on the Organization's financial statements. The Organization files IRS Form 990 annually with the Federal Government and is still open to examination by taxing authorities for the past three years.

Fair Value Measurement

In 2011, the Organization has adopted the fair value provisions of FASB ASC 820. Under these provisions, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These provisions establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs to be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Odyssey Community School, Inc.
Notes to the Financial Statements
June 30, 2014 and 2013

Note A – Nature of Activities and Significant Accounting Policies (Continued)

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect the Organization’s own assumptions.

Note B – Cash and Cash Equivalents

The Organization maintains deposits in six accounts with one financial institution. Cash balances exceeded federally insured limits at June 30, 2014 and 2013 by \$326,515 and \$212,920, respectively.

Note C – Property and Equipment

Property and Equipment consisted of the following at June 30:

	2014	2013
Leasehold Improvements	\$ 3,383,386	\$ 3,403,231
Furniture and Equipment	378,871	485,703
	3,762,257	3,888,934
Less: Accumulated Depreciation	(1,464,810)	(1,306,492)
Total	\$ 2,297,447	\$ 2,582,442

Note D – Accrued Expenses

Accrued Expenses consisted of the following as of June 30:

	2014	2013
Accrued Payroll	\$ 174,671	\$ 173,337
Compensated Absences	40,857	27,124
Accrued Expenses	4,390	818
Total	\$ 219,918	\$ 201,279

Note E – Teachers’ Retirement System

Teachers and certain other personnel are eligible to participate in the State of Connecticut Teachers’ Retirement System, a cost sharing multiple employer public employees retirement system described in the Connecticut General Statutes, Chapter 167a. The system has been established to provide retirement and other benefits for teachers, their survivors and beneficiaries. These certified personnel are covered under a union contract.

Odyssey Community School, Inc.
Notes to the Financial Statements
June 30, 2014 and 2013

Note E – Teachers’ Retirement System (Continued)

All regular certified employees employed by the Organization at a minimum half time or greater basis are eligible to participate in the Teachers’ Retirement System administered by the Connecticut State Teachers’ Retirement Board. The contribution requirements of plan members and the State are established and may be amended by the State Legislature. Members are required to contribute 7.25% of their annual salary on a pre-tax basis. The State of Connecticut also contributes to the system based on actuarially determined amounts.

Note F – Concentrations

The Organization’s operations are primarily funded by grants from the State of Connecticut. Grant revenue from the State of Connecticut accounted for 90% and 89% of total revenue for the years ended June 30, 2014 and 2013, respectively.

Note G – Operating Leases

The Organization has a facility lease agreement with an unrelated party. The lease term is through August 2017 at a rate of \$21,492 per month. The Organization has an option to renew the lease at that time for an additional five years at a rate of \$23,176 per month. Future minimum payments on the aforementioned lease for the years ending June 30 are as follows:

2015	\$ 257,905
2016	257,905
2017	257,905
2018	<u>42,984</u>
Total	<u>\$ 816,699</u>

Rent expense was \$263,785 and \$218,850 for the years ended June 30, 2014 and 2013, respectively.

Note H – Related Party Debt

In November 2011 the Organization received a construction loan from a board member for \$350,000. The loan had a rate of 0.32% and was due on July 31, 2013. The Organization was awaiting bond proceeds which had been approved by the State of Connecticut but had not been finalized, which caused a delay in payment. The Organization paid back the loan in March 2014.

Odyssey Community School, Inc.
Notes to the Financial Statements
June 30, 2014 and 2013

Note I – Line of Credit

During October 2012, the Organization took out a Line of Credit with Rockville Bank. The Line of Credit is for \$50,000 with an interest rate of one percent above the prime rate which was 4.25% at June 30, 2014.

During June 2014, the Organization took out a Line of Credit with United Bank. The Line of Credit is for \$300,000 with an interest rate of one percent above the prime rate and a 4.5% floor rate. The term of the Line of Credit is twelve months and will convert to a five year term loan after the twelve month period. The interest rate was 4.5% at June 30, 2014.

Note J – Long Term Debt

Mortgages payable consisted of the following at June 30:

	2014	2013
Mortgage Loans		
In November 2011, the Organization received a construction loan from a board member for \$350,000. The loan had a rate of 0.32% and was due on July 31, 2013. The Organization was awaiting bond proceeds which had been approved by the State of Connecticut but had not been finalized, which caused a delay in payment. The Organization paid back the loan in March 2014.	\$ -	\$ 350,000
The Organization took out a loan for the expansion of the building for \$1,200,000 with an interest rate of 3.75%. For the first six months interest only payments were due on the loan. Thereafter, 48 equal monthly payments of \$26,961 per month are due.	868,645	1,153,576
Total	868,645	1,503,576
Less Current Portion	(296,020)	(635,141)
Long Term Portion of Mortgages Payable	\$ 572,625	\$ 868,435

Odyssey Community School, Inc.
Notes to the Financial Statements
June 30, 2014 and 2013

Note J – Long Term Debt (Continued)

Future principal maturities of all debt as of June 30, 2014 are as follows:

2015	\$	296,020
2016		307,314
2017		265,311
Total	\$	<u>868,645</u>

Note K – Advertising Expense

The Organization expenses the cost of advertising incurred. Advertising expenses was \$1,480 and \$4,336 for the years ended June 30, 2014 and 2013, respectively.

Note L – Subsequent Events

The Organization has evaluated subsequent events through December 19, 2014 and the financial statements were available to be issued on December 19, 2014.

Odyssey Community School, Inc.
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2014

<u>State Grantor Pass-Through Grantor Program Title</u>	<u>State Grant Program Core - CT Number</u>	<u>Expenditures</u>
Department of Education:		
Charter Schools	11000-SDE64000-17041-84179	\$ 3,402,000
Charter School Facility, General Improvements and Debt Repayment	12052-SDE64000-43003	350,000
Total State Financial Assistance		<u>\$ 3,752,000</u>

See accompanying notes to schedule of expenditures of state financial assistance.

Odyssey Community School, Inc.
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2014

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Odyssey Community School, Inc. under programs of the State of Connecticut for the fiscal year ended June 30, 2014. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Odyssey Community School, Inc. conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the basis of accounting principles generally accepted in the United States of America. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

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*

To the Board of Directors of
Odyssey Community School, Inc.:

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 Odyssey Community School, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Odyssey Community School, Inc.'s internal control over financial reporting (internal control) to determine 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 Odyssey Community School, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Odyssey Community School, Inc.'s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Odyssey Community School, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

A handwritten signature in black ink that reads "James A. George, P.C." in a cursive style.

JAMES A. GEORGE, P.C.
Wakefield, Massachusetts
December 19, 2014

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE
OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE
STATE SINGLE AUDIT ACT**

To the Board of Directors of
Odyssey Community School, Inc.:

Report on Compliance for Each Major State Program

We have audited Odyssey Community School, Inc.'s compliance with the types of compliance requirements described in the Office of Policy and Management's Compliance Supplement that could have a direct and material effect on each of Odyssey Community School, Inc.'s major state programs for the year ended June 30, 2014. Odyssey Community School, Inc.'s major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Odyssey Community School, Inc.'s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Odyssey Community School, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Odyssey Community School, Inc.'s compliance.

Opinion on Each Major State Program

In our opinion, Odyssey Community School, Inc., 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 state programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of Odyssey Community School, Inc., is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Odyssey Community School, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Odyssey Community School, Inc.'s 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 a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 state 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of Odyssey Community School, Inc., as of and for the year ended June 30, 2014 and have issued our report thereon dated December 19, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

James A. George, P.C.

JAMES A. GEORGE, P.C.
Wakefield, Massachusetts
December 19, 2014

Odyssey Community School, Inc.
Schedule of Findings and Questioned Costs - State Financial Assistance
For the Year Ended
June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

State Financial Assistance

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?	No

Identification of Major program:

<u>State Grantor and Program</u>	<u>State Core - CT Number</u>	<u>Expenditures</u>
State Department of Education - Charter Schools	11000-SDE64000-17041-84179	\$3,402,000
Charter School Facility, General Improvements and Debt Repayment	12052-SDE64000-43003	\$350,000
Dollar threshold used to distinguish between type A and type B programs		\$200,000

Section II - Financial Statement Findings

None noted.

Section III - State Financial Assistance Findings and Questioned Costs

None noted.