

**ODYSSEY ACADEMY OF  
VIRTUAL LEARNING, INC.**

**RIPON, WISCONSIN**

**AUDITED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**ODYSSEY ACADEMY OF VIRTUAL LEARNING, INC.  
RIPON, WISCONSIN**

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**Erickson & Associates, S.C.**  
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Odyssey Academy of Virtual Learning, Inc.  
Ripon, Wisconsin

**Report on the Financial Statements**

We have audited the accompanying financial statements of Odyssey Academy of Virtual Learning, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, 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 Organization'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 Organization'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 Academy of Virtual Learning, Inc. as of June 30, 2020, 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.

### **Emphasis of Matter**

As discussed in Note 2 to the financial statements, in 2019, Odyssey Academy of Virtual Learning, Inc. adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). Our opinion is not modified with respect to this matter.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules 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*, 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 1, 2020, on our consideration of Odyssey Academy of Virtual Learning, 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 the effectiveness of Odyssey Academy of Virtual Learning, Inc.'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 Odyssey Academy of Virtual Learning, Inc.'s internal control over financial reporting and compliance.

*Erickson & Associates, S.C.*

ERICKSON & ASSOCIATES, S.C.  
Appleton, Wisconsin  
December 1, 2020

**ODYSSEY ACADEMY OF VIRTUAL LEARNING, INC  
RIPON, WISCONSIN**

**STATEMENT OF FINANCIAL POSITION**

June 30, 2020

**ASSETS**

Current assets:

Accounts receivable	<u>\$ 31,446</u>
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**LIABILITIES AND NET ASSETS**

Current liabilities:

Accounts payable	<u>\$ 31,446</u>
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Net assets:

Without donor restrictions	<u>- -</u>
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Total liabilities and net assets	<u>\$ 31,446</u>
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**ODYSSEY ACADEMY OF VIRTUAL LEARNING, INC**  
**RIPON, WISCONSIN**

**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Revenues:			
Grants	<u>\$ 231,858</u>	<u>\$ --</u>	<u>\$ 231,858</u>
Expenses:			
Program services	<u>231,858</u>	<u>--</u>	<u>231,858</u>
Net assets, beginning of year	<u>--</u>	<u>--</u>	<u>--</u>
Net assets, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>

**ODYSSEY ACADEMY OF VIRTUAL LEARNING, INC**  
**RIPON, WISCONSIN**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended June 30, 2020

	Program Services	Supporting Services Management and General	Total Expenses
Salaries	\$ 25,606	\$ --	\$ 25,606
Personal services	20,790	--	20,790
Communication	25,414	--	25,414
Noncapital equipment	465	--	465
Employee benefits	3,097	--	3,097
Supplies	96,460	--	96,460
Technology equipment	57,971	--	57,971
Travel	2,055	--	2,055
	\$ 231,858	\$ --	\$ 231,858

**ODYSSEY ACADEMY OF VIRTUAL LEARNING, INC**  
**RIPON, WISCONSIN**

**STATEMENT OF CASH FLOWS**  
For the Year Ended June 30, 2020

Cash flows from operating activities:	
Cash paid for (used in) operating activities	\$       --
Net increase (decrease) in cash	--
Cash balance, beginning of year	--
Cash balance, end of year	\$       --

**RECONCILIATION OF CHANGES IN NET ASSETS**  
**TO NET CASH USED IN OPERATING ACTIVITIES**

Change in net assets	\$       --
Adjustments to reconcile change in net assets to net cash used in operating activities:	
(Increase) decrease in operating assets:	
Accounts receivable	( 31,446)
Increase (decrease) in operating liabilities:	
Accounts payable	31,446
Net cash used in operating activities	\$       --



**ODYSSEY ACADEMY OF VIRTUAL LEARNING, INC.  
RIPON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Summary of Significant Accounting Policies:**

This summary of significant accounting policies of Odyssey Academy of Virtual Learning, Inc. (Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Nature of Activities**

Odyssey Academy of Virtual Learning, Inc. is a not-for-profit corporation organized in the State of Wisconsin to provide project based learning to engage and excite students about Science, Technology, Engineering, and Mathematic fields. The Organization is supported primarily through donor contributions and a grant through the Wisconsin Department of Public Instruction.

**Financial Statement Presentation**

The Organization's financial statements are presented in accordance with the requirements of the *Non-Profit Entities Topic of the FASB Accounting Standards Codification*. Under this standard, the Organization is required to report information regarding its financial position and activities based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions - amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets With Donor Restrictions - amounts subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity.

**Measure of Operations**

The Organization's operating revenues in excess of expenses include all operating revenues and expenses that are an integral part of its programs and supporting activities and net assets released from donor restrictions to support operating expenditures. There is no difference between operating revenues in excess of expenses and the change in net assets.

**Cash and Cash Equivalents**

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

**Concentrations of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. The Organization generally limits its exposure to credit risk from balances on deposits in financial institutions in excess of the FDIC-insured limit. During the year ended June 30, 2020, the Organization did not exceed the FDIC-insured limit.

**ODYSSEY ACADEMY OF VIRTUAL LEARNING, INC.  
RIPON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

**Accounts Receivable**

The accounts receivable recorded in the financial statements represents the amount billed on contracts at June 30, 2020, but payment was not received until sometime in the following year. The Organization uses the direct write-off method to provide for uncollectible accounts. There is no material effect on income in using this method rather than the allowance method. The accounts receivable is thought to be collectible.

**Functional Expenses**

The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. Costs are allocated based on the operations of the Organization and are adjusted accordingly as needed.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. 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.

**Note 2. Adoption of Recently Issued Accounting Pronouncements:**

**Adoption of New Revenue Guidance**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The amendments with this ASU, as well as within the additional clarifying ASUs issued by the FASB, provide a single comprehensive model to be used to determine the measurement of revenue and timing of recognition for revenue arising from contracts with customers. The core principle of the amended guidance is that an entity should recognize revenue to depict the transfer of promised goods to customers in an amount that reflects consideration to which the entity expects to be entitled in exchange for those goods. The new revenue recognition guidance includes a five-step model for the recognition of revenue, including (1) identifying the contract with a customer, (2) identifying the performance obligations in the contract, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations, and (5) recognizing revenue when (or as) an entity satisfies a performance obligation. This ASU was effective for the Organization beginning July 1, 2019 and it elected to apply the modified retrospective method of adoption to all contracts as of the date of initial application. There were no financial statement impacts related to its adoption of ASU Topic 606.

**ODYSSEY ACADEMY OF VIRTUAL LEARNING, INC.  
RIPON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 3. Tax Exempt Status:**

Odyssey Academy of Virtual Learning, Inc., a voluntary health and welfare organization, is a not-for-profit, voluntary health agency exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code. The Organization has been classified as an organization that is not a private foundation, and donations made to the Organization qualify for the charitable deduction. The Organization is also exempt from Wisconsin income taxes.

The Organization adopted the provisions of the *Income Taxes Topic of the FASB Accounting Standards Codification*. As a result, the Organization evaluates its tax positions based on whether or not the position is more likely than not to be sustained upon examination by taxing authorities. The Organization continually evaluates its tax positions, changes in tax law and new authoritative rulings for potential implications on its tax status. The Organization's federal tax returns are subject to examination generally for three years after they are filed.

**Note 4. Liquidity Management:**

The Organization's financial assets available within one year of the balance sheet for general expenditures are as follows:

Accounts receivable	\$	31,446
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As a part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**Note 5. Major Support:**

During the year, the Organization received major support from one source, which exceeded 10% of the Organization's total support. Support from this source was \$231,858 for the year ended June 30, 2020. The Organization also had receivables from this source, which exceeded 10% of the Organization's total receivable. Receivables from this source was \$31,446 for the year ended June 30, 2020.

**Note 6. Subsequent Events:**

The Organization has evaluated all subsequent events through December 1, 2020, the date on which the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**ODYSSEY ACADEMY OF VIRTUAL LEARNING, INC.  
RIPON, WISCONSIN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2020**

<u>Federal Grantor/ Pass-Through Grantor/ Award Description</u>	<u>Federal Catalog Number</u>	<u>Pass-Through Identification Number</u>	<u>Accrued Receivable 6/30/2019</u>	<u>Expenditures</u>	<u>Grantor Reimbursement</u>	<u>Accrued Receivable 6/30/2020</u>
U.S. DEPARTMENT OF EDUCATION						
Pass-Through Programs From:						
WI Department of Public Instruction:						
WI Charter Schools	84.282A	2020-204872-WCSP1-360	\$ --	\$ 231,858	\$ 200,412	\$ 31,446

**ODYSSEY ACADEMY OF VIRTUAL LEARNING, INC.  
RIPON, WISCONSIN**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2020

**Note 1. Basis of Presentation:**

The accompanying schedule of expenditures of federal awards include the federal funding passed through from Wisconsin Department of Public Instruction to Odyssey Academy of Virtual Learning, Inc. and is presented on the accrual basis of accounting. The information in this schedule 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Pass-through entity identifying numbers are presented where available.



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**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  
Odyssey Academy of Virtual Learning, Inc.  
Ripon, Wisconsin

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 Academy of Virtual Learning, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, 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 1, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying summary of auditor's results as item 2020-001 that we consider to be a significant deficiency.

## **Compliance and Other Matters**

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

### **Odyssey Academy of Virtual Learning, Inc.'s Response to Finding**

The Organization's response to the finding identified in our audit is described in the accompanying corrective action plan. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.

*Erickson & Associates, S.C.*

ERICKSON & ASSOCIATES, S.C.  
Appleton, Wisconsin  
December 1, 2020



**ODYSSEY ACADEMY OF VIRTUAL LEARNING, INC.  
RIPON, WISCONSIN**

**SUMMARY OF AUDITOR'S RESULTS  
For the Year Ended June 30, 2020**

**Summary of Auditor's Results:**

*Financial Statements*

Type of auditor's report on financial statements:	Unmodified opinion
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	Yes
Noncompliance material to the financial statements?	No

**Financial Statement Findings:**

**2020-001 Financial Statement Preparation**

**Condition:** The Organization has relied upon its auditors to assist in the preparation of the financial statements and footnotes as part of its external financial reporting process. Accordingly, the Organization's ability to prepare financial statements in accordance with GAAP is based, in part, on its reliance on its external auditors, who cannot by definition be considered part of the Organization's internal controls.

**Criteria:** We are required to report on whether the Organization is able to prepare financial statements in accordance with generally accepted accounting principles (GAAP). The preparation of financial statements in accordance with GAAP requires internal controls over both (1) recording, processing, and summarizing accounting data, and (2) reporting financial statements, including the related footnotes.

**Cause:** The additional costs with hiring staff experienced in preparing financial statements, along with additional training time, outweigh the derived benefits.

**Effect:** Information provided to management throughout the year may not be presented in accordance with generally accepted accounting principles.

**Recommendation:** The Organization should continue to evaluate the cost/benefit of outsourcing the task of preparing the financial statements to the external auditors.

Views of  
Responsible  
Officials:

See Organization's corrective action plan.

**ODYSSEY ACADEMY OF VIRTUAL LEARNING, INC.  
RIPON, WISCONSIN**

**SUMMARY OF AUDITOR'S RESULTS - CONTINUED**  
For the Year Ended June 30, 2020

**Other Issues**

Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?	No
Does the audit report show audit issues related to grants/contracts with funding agencies that require audits to be in accordance with the <i>Government Auditing Standards</i> ?	No
Was a Management Letter or other document conveying audit comments issued as a result of this audit?	Yes

Signature of shareholder



Date of report

December 1, 2020

**ODYSSEY ACADEMY OF VIRTUAL LEARNING, INC.  
RIPON, WISCONSIN**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
For the Year Ended June 30, 2020

**Status of Prior Year Findings:**

Since this is a first year audit there are no prior year findings.

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Area School District

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## **CORRECTIVE ACTION PLAN**

For the Year Ended June 30, 2020

### **2020-001 Financial Statement Preparation**

The Organization has evaluated the cost/benefit of outsourcing the task of preparing the financial statements to an external accountant. It would be cost prohibitive to hire additional staff or outsource the task to an outside accountant. However, management of the Organization has obtained the necessary skills, knowledge, and experience to accept responsibility for the preparation of the Organization's financial statements.

Anticipated Corrective Action Plan Completion Date: Ongoing

Contact Information: For more information regarding this finding please contact Jonah Adams.

Sincerely,

A handwritten signature in cursive script that reads "Jonah Adams".

Jonah Adams  
Business Manager