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**ODYSSEY CHARTER SCHOOL, INC.**  
(A Component Unit of the State of Delaware)  
**WILMINGTON, DELAWARE**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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ODYSSEY CHARTER SCHOOL, INC.  
(A Component Unit of the State of Delaware)

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(A Component Unit of the State of Delaware)

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## INDEPENDENT AUDITOR'S REPORT

September 30, 2021

Board of Directors  
Odyssey Charter School, Inc.  
Wilmington, Delaware

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Odyssey Charter School, Inc. ("the School"), Wilmington, Delaware, a component unit of the State of Delaware, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### 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 opinions 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.

Board of Directors  
Odyssey Charter School, Inc.

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 opinions.

#### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Odyssey Charter School, Inc., Wilmington, Delaware, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Report on Summarized Comparative Information

We have previously audited Odyssey Charter School, Inc.'s 2020 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund in our report dated September 29, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### Other Matters

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 and the budgetary comparison schedule - general fund, schedule of the School's proportionate share of the net pension liability, schedule of School pension contributions, schedule of the School's proportionate share of the net OPEB liability, and schedule of School OPEB contributions on pages 39 through 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors  
Odyssey Charter School, Inc.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The combining balance sheet - general fund, combining statement of revenues, expenditures, and changes in fund balances - general fund, schedule of expenditures by natural classification - governmental funds, and schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining balance sheet - general fund, combining statement of revenues, expenditures, and changes in fund balances - general fund, schedule of expenditures by natural classification - governmental funds, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet - general fund, combining statement of revenues, expenditures, and changes in fund balances - general fund, schedule of expenditures by natural classification - governmental funds, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report September 30, 2021, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

*Barbacane, Thornton & Company LLP*  
BARBACANE, THORNTON & COMPANY LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ODYSSEY CHARTER SCHOOL, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
YEAR ENDED JUNE 30, 2021**

Our discussion and analysis of Odyssey Charter School, Inc.'s ("the School") financial performance provides an overview of the financial activities for the year ended June 30, 2021. Please read it in conjunction with the independent auditor's report on pages 1 - 3 and the School's financial statements, which begin on page 11.

**FINANCIAL HIGHLIGHTS**

The net position of the School decreased by \$5,284,228, or 17.68 percent. Program revenues accounted for \$3,902,192, or 13.64 percent of total revenues; and the general revenues accounted for \$24,704,045, or 86.36 percent of total revenues. Also, the general fund reported a positive fund balance of \$2,728,993.

**USING THE ANNUAL FINANCIAL REPORT**

This annual financial report consists of a series of financial statements and related notes to those statements. The statements are organized so the reader can understand the School as a whole, and then to provide an increasingly detailed look at specific financial activities.

**REPORTING THE SCHOOL AS A WHOLE**

***The Statement of Net Position and Statement of Activities***

One of the most important questions asked about School finances is, "Is the School better or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the School as a whole and about its activities in a manner that helps to answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting which is similar to the accounting used by private sector corporations. All of the year's revenues and expenses are taken into consideration regardless of when the cash is received or paid. These two statements report the School's net position and changes thereof. The change in net position provides the reader with a tool to assist in determining whether the School's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as student enrollment and facility conditions in arriving at their conclusion regarding the overall health of the School.

**REPORTING THE SCHOOL'S MOST SIGNIFICANT FUNDS**

**Fund Financial Statements**

Our analysis of the School's major funds and fund financial statements begins on page 13. These statements provide detailed information about the most significant funds and not the School as a whole. Certain funds are required to be established by State statute, while many other funds may be established by the School to help manage money for particular purposes and compliance with various grant provisions.



**ODYSSEY CHARTER SCHOOL, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)  
YEAR ENDED JUNE 30, 2021**

***Governmental Funds***

All of the School's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The statement of the governmental funds provides a detailed short-term view of the School's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or less financial resources available to spend in the near future to finance the School's programs. The difference between governmental activities (reported in the statement of net position and the statement of activities) and the governmental funds is reconciled in the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$35,376,766 at the close of the fiscal year. The School's total assets are comprised of cash and pooled cash (12.35 percent), investments (6.88 percent), accounts receivable (0.30 percent), and capital assets net of depreciation (80.47 percent). The School uses capital assets to provide services; consequently, capital assets are not available for future spending. Although the School's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay such debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt obligations.

A summarized comparative analysis for the fiscal year 2021 to 2020 follows:

**TABLE 1  
NET POSITION  
June 30, 2021 and 2020**

	2021	2020
<b>Current and Other Assets</b>		
Current assets	\$ 8,862,957	\$ 7,388,422
Capital assets, net of depreciation	36,510,162	36,507,149
<b>Total Assets</b>	<u>45,373,119</u>	<u>43,895,571</u>
Deferred Outflows of Resources	31,252,018	22,009,621
<b>Total Assets and Deferred Outflows of Resources</b>	<u>76,625,137</u>	<u>65,905,192</u>
<b>Liabilities</b>		
Current liabilities	4,822,031	4,638,587
Long-term liabilities	98,790,725	82,741,921
<b>Total Liabilities</b>	<u>103,612,756</u>	<u>87,380,508</u>
Deferred Inflows of Resources	8,389,147	8,617,222
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>112,001,903</u>	<u>95,997,730</u>

**ODYSSEY CHARTER SCHOOL, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**  
**YEAR ENDED JUNE 30, 2021**

**TABLE 1**  
**NET POSITION**  
**June 30, 2021 and 2020**

(cont'd)	2021	2020
<b>Net Position (Deficit)</b>		
Net investment in capital assets	727,451	270,776
Restricted	3,121,315	3,640,751
Unrestricted (deficit)	(39,225,532)	(34,004,065)
<b>Total Net Deficit</b>	<u><u>\$(35,376,766)</u></u>	<u><u>\$(30,092,538)</u></u>

Table 2, which follows, reflects the School's revenues received by funding source and how the funding received was expended by function.

**TABLE 2**  
**CHANGE IN NET POSITION**  
**Fiscal Years Ended June 30, 2021 and 2020**

	2021	2020
<b>General Revenues</b>		
Charges to school districts	\$ 8,469,663	\$ 8,106,496
State aid not restricted to specific purposes	16,014,793	15,321,161
Other revenues	219,589	414,041
<b>Total General Revenues</b>	<u>24,704,045</u>	<u>23,841,698</u>
<b>Program Revenues</b>		
Charges for services	1,300,393	2,113,747
Operating grants and contributions	2,596,396	1,055,029
Capital grants and contributions	5,403	15,914
<b>Total Revenues</b>	<u>28,606,237</u>	<u>27,026,388</u>
<b>Expenses</b>		
Instructional services	23,695,176	21,172,187
Support services:		
Operation and maintenance of facilities	5,975,271	5,872,961
Transportation	1,129,682	1,327,674
School food services	623,760	959,560
Interest on long-term debt	2,466,576	2,469,000
<b>Total Expenses</b>	<u>33,890,465</u>	<u>31,801,382</u>
<b>Change in Net Position</b>	<u><u>\$ (5,284,228)</u></u>	<u><u>\$ (4,774,994)</u></u>

**Government Activities**

The net position of the School's governmental activities decreased by \$5,284,228, and unrestricted net position reflects a deficit balance of \$39,225,532. The decrease in net position is attributable to the pension and OPEB expense recognized in the current year.

**ODYSSEY CHARTER SCHOOL, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**  
**YEAR ENDED JUNE 30, 2021**

The statement of activities shows the cost of program services and the charges for services, and grants and contributions offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities. General revenues which include charges to school districts, state aid not restricted for specific purposes, cash and investment earnings, and other local revenues must support the net cost of the programs.

	<b>SERVICES</b>			
	2021		2020	
	Total Cost	Net Cost (Revenue)	Total Cost	Net Cost (Revenue)
<b>Governmental Activities</b>				
Instructional services	\$23,695,176	\$21,763,668	\$21,172,187	\$20,141,507
Support services:				
Operation and maintenance of facilities	5,975,271	4,980,171	5,872,961	4,995,519
Transportation	1,129,682	724,761	1,327,674	892,753
School food services	623,760	53,097	959,560	117,913
Interest on long-term debt	2,466,576	2,466,576	2,469,000	2,469,000
<b>Total Expenses</b>	<b>\$33,890,465</b>	<b>\$29,988,273</b>	<b>\$31,801,382</b>	<b>\$28,616,692</b>

The reliance on general revenues to support the governmental activities is reflected by the net cost services' columns, which basically indicate the need for general support to fund School operations.

**THE SCHOOL'S FUNDS**

The governmental funds (as presented on the balance sheet on page 13) reported a fund balance of \$5,850,308, which is an increase from the prior year's amount by \$1,509,531. The schedule below indicates the fund balance and the total changes in fund balance from June 30, 2020 to June 30, 2021.

	2021	2020	Increase (Decrease)
<b>Governmental Fund Balance</b>			
Restricted - debt service	\$ 2,783,661	\$ 2,831,267	\$ (47,606)
Restricted - repairs and maintenance of School facility	337,654	409,484	(71,830)
Restricted - renovations of School property	-	400,000	(400,000)
Unassigned - general fund	2,728,993	700,026	2,028,967
<b>Total Fund Balance</b>	<b>\$ 5,850,308</b>	<b>\$ 4,340,777</b>	<b>\$ 1,509,531</b>

**ODYSSEY CHARTER SCHOOL, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)  
YEAR ENDED JUNE 30, 2021**

**General Fund**

The increase in the School's fund balance of the general fund is due mainly to the increase in state aid and federal grant revenue received during the year.

The tables that follow will assist the reader in evaluating the financial activities as compared to the prior year.

	<b>Amounts</b>		<b>Percentage (%) Change</b>
	<b>2021</b>	<b>2020</b>	
<b>Revenues</b>			
Charges to school districts	\$ 8,469,663	\$ 8,106,496	4.48%
State sources	16,014,793	15,321,161	4.53%
Federal sources	2,457,880	972,938	152.62%
Charges for services	1,294,828	2,113,747	-38.74%
Miscellaneous revenue	368,669	542,868	-32.09%
<b>Total Revenues</b>	<b>\$28,605,833</b>	<b>\$27,057,210</b>	<b>5.72%</b>

The largest portions of general fund expenditures are for personnel costs, which include salaries and related employment costs. The School is a service-oriented organization and, as such, is very labor intensive.

	<b>Amounts</b>		<b>Percentage (%) Change</b>
	<b>2021</b>	<b>2020</b>	
<b>Expenditures by Object</b>			
Instructional services	\$16,246,572	\$16,355,704	-0.67%
Support services:			
Operation and maintenance of facilities	5,257,040	5,136,753	2.34%
Transportation	985,232	1,189,348	-17.16%
School food services	623,760	959,560	-35.00%
Capital outlay	1,055,011	1,440,819	-26.78%
Debt services	762,381	502,680	7.95%
<b>Total Expenditures by Object</b>	<b>\$24,929,996</b>	<b>\$25,584,864</b>	<b>-2.31%</b>

**Debt Service Fund**

The debt service fund had a fund balance of \$2,783,661 at June 30, 2021. This was a \$47,606 decrease from the prior year. The debt service fund is funded by transfers from the general fund and is maintained to accumulate resources for the payment of interest and principal on the long-term general obligation debt.

**ODYSSEY CHARTER SCHOOL, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**  
**YEAR ENDED JUNE 30, 2021**

**Repair and Replacement Fund**

The repair and replacement fund had a fund balance of \$337,654 at June 30, 2021. This was a \$71,830 decrease from the prior year. The repair and replacement fund is maintained to accumulate resources for the payment of repairs and maintenance of the school facilities.

**Supplemental Reserve Fund**

The supplemental reserve fund is maintained to pay for renovations of the school property as required by the 2015 bonds. On July 8, 2020 the bondholders approved the release of the remaining \$400,000 to be used for renovations. Therefore, the supplemental reserve fund did not have a fund balance at June 30, 2021.

**GENERAL FUND BUDGET INFORMATION**

The School's General Fund budget is prepared in accordance with the modified accrual basis of accounting. The School may amend its revenue and expenditure estimates periodically due to changing conditions. The budget is presented as amended. The more significant variances between budget versus actual revenues and expenditures includes a favorable variance of \$694,619 in federal aid due to additional aid received as a result of COVID-19, an unfavorable variance of \$384,369 in food service revenue due to all meals being reimbursement by the federal government as a result of COVID-19, and a favorable variance of \$451,604 in contracted services largely due to a decrease in transportation costs due to remote learning.

**CAPITAL ASSETS**

The School has \$36,510,162 invested in capital assets, net of accumulated depreciation. During the current year, the School purchased furniture, computer equipment, vehicles, and added building improvements as well as incurring construction costs associated with renovations. The total of all additions was \$1,038,378, and the School incurred depreciation of \$1,035,365 during the year.

**DEBT ADMINISTRATION**

As of June 30, 2021, the School had total outstanding debt of \$35,782,711 in the form of loans, a capital lease, and bonds payable. Detailed information regarding long-term debt activity is included in Note 4 to the financial statements.

Other obligations include the net pension liability, net OPEB liability, accrued vacation pay, and sick leave for School employees. More detailed information about long-term liabilities is included in Notes 4, 5, and 6 to the financial statements.

**FACTORS EXPECTED TO HAVE AN EFFECT ON FUTURE OPERATIONS**

The School is primarily funded by the State of Delaware and, thus, is affected by the economic outlook for the State. The State continues to support the funding of education.

**ODYSSEY CHARTER SCHOOL, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)  
YEAR ENDED JUNE 30, 2021**

The financial model the School has developed is based on the funding formula currently in effect under the Delaware Charter School Law. If the funding formula for charter schools changes, adjustments to the underlying assumptions of the model will have to be made.

**CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our fellow citizens, customers, investors, and creditors with a general overview of the School's finances and to show the School's accountability for the funding received. If you have questions about this report or need additional financial information, contact the School's Finance Office at (302) 516-8000 or by writing to Building #22, Barley Mill Plaza, 4319 Lancaster Pike, Wilmington, DE 19805.

## **BASIC FINANCIAL STATEMENTS**

**ODYSSEY CHARTER SCHOOL, INC.**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2021 AND 2020**

	Governmental Activities	
	2021	2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash and pooled cash	\$ 5,603,514	\$ 3,727,718
Investments	3,121,315	3,640,751
Accounts receivable	138,128	19,953
Total Current Assets	<u>8,862,957</u>	<u>7,388,422</u>
NONCURRENT ASSETS:		
Land	11,704,800	11,704,800
Construction-in-progress	229,128	1,317,047
Depreciable capital assets, net	24,576,234	23,485,302
Total Noncurrent Assets	<u>36,510,162</u>	<u>36,507,149</u>
TOTAL ASSETS	<u>45,373,119</u>	<u>43,895,571</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension	4,725,901	4,681,051
Deferred outflows - OPEB	26,526,117	17,328,570
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>31,252,018</u>	<u>22,009,621</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 76,625,137</u>	<u>\$ 65,905,192</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable	\$ 97,508	\$ 101,352
Accrued salaries and related costs	2,906,416	2,937,568
Accrued interest payable	760,000	768,531
Security deposit liability	8,725	8,725
Capital lease payable	48,394	-
Loans payable	475,988	332,411
Bonds payable	525,000	490,000
Total Current Liabilities	<u>4,822,031</u>	<u>4,638,587</u>
NONCURRENT LIABILITIES:		
Compensated absences	888,443	673,020
Capital lease payable	78,747	-
Loans payable	2,319,582	2,553,962
Bonds payable	32,335,000	32,860,000
Net pension liability	7,675,516	7,798,847
Net OPEB liability	55,493,437	38,856,092
Total Noncurrent Liabilities	<u>98,790,725</u>	<u>82,741,921</u>
TOTAL LIABILITIES	<u>103,612,756</u>	<u>87,380,508</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows - pension	1,356,783	57,244
Deferred inflows - OPEB	7,032,364	8,559,978
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,389,147</u>	<u>8,617,222</u>
NET POSITION (DEFICIT):		
Net investment in capital assets	727,451	270,776
Restricted for:		
Repayment of debt	2,783,661	2,831,267
Repairs and maintenance of School facilities	337,654	409,484
Renovations of the School property	-	400,000
Unrestricted (Deficit)	<u>(39,225,532)</u>	<u>(34,004,065)</u>
TOTAL NET POSITION (DEFICIT)	<u>(35,376,766)</u>	<u>(30,092,538)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)	<u>\$ 76,625,137</u>	<u>\$ 65,905,192</u>

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



**ODYSSEY CHARTER SCHOOL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(With Summarized Comparative Data for the Year Ended June 30, 2020)**

	Program Revenues			Net (Expense) Revenue and Changes in Net Deficit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Totals
<b>GOVERNMENTAL ACTIVITIES</b>					
Instructional services	\$ (23,695,176)	\$ 20,125	\$ 1,911,383	\$ -	\$ (21,763,668)
Support services:					
Operation and maintenance of facilities	(5,975,271)	851,181	138,516	5,403	(4,980,171)
Transportation	(1,129,682)	404,921	-	-	(724,761)
Food service	(623,760)	24,166	546,497	-	(53,097)
Interest expense and other charges	(2,466,576)	-	-	-	(2,466,576)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ (33,890,465)</b>	<b>\$ 1,300,393</b>	<b>\$ 2,596,396</b>	<b>\$ 5,403</b>	<b>(29,988,273)</b>
<b>GENERAL REVENUES</b>					
Charges to school districts					8,469,663
State aid not restricted to specific purposes					16,014,793
Interest income					68,482
Other local revenues					151,107
<b>TOTAL GENERAL REVENUES</b>					<b>24,704,045</b>
<b>CHANGE IN NET DEFICIT</b>					<b>(5,284,228)</b>
<b>NET DEFICIT, BEGINNING OF YEAR</b>					<b>(30,092,538)</b>
<b>NET DEFICIT, END OF YEAR</b>					<b>\$ (35,376,766)</b>
					<b>\$ (30,092,538)</b>

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

**ODYSSEY CHARTER SCHOOL, INC.**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**  
**(With Summarized Comparative Data for the Year Ended June 30, 2020)**

	General Fund	Debt Service Fund	Repair and Replacement Fund	Supplementary Reserve Fund	Total Governmental Funds
					2021
					2020
ASSETS:					
Cash and pooled cash	\$ 5,603,514	\$ -	\$ -	\$ -	\$ 5,603,514
Investments	-	2,783,661	337,654	-	3,121,315
Accounts receivable	138,128	-	-	-	138,128
TOTAL ASSETS	\$ 5,741,642	\$ 2,783,661	\$ 337,654	\$ -	\$ 8,862,957
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 97,508	\$ -	\$ -	\$ -	\$ 97,508
Accrued salaries and related costs	2,906,416	-	-	-	2,906,416
Security deposit liability	8,725	-	-	-	8,725
TOTAL LIABILITIES	3,012,649	-	-	-	3,012,649
FUND BALANCES:					
Restricted	-	2,783,661	337,654	-	3,121,315
Unassigned	2,728,993	-	-	-	2,728,993
TOTAL FUND BALANCES	2,728,993	2,783,661	337,654	-	5,850,308
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,741,642	\$ 2,783,661	\$ 337,654	\$ -	\$ 8,862,957
					\$ 7,388,422

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

**ODYSSEY CHARTER SCHOOL, INC.**  
**RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 5,850,308
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds. Capital assets net of accumulated depreciation as detailed in the footnotes are included in the statement of net position.	36,510,162
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Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

Accrued interest payable	\$ (760,000)	
Compensated absences	(888,443)	
Capital lease payable	(127,141)	
Loans payable	(2,795,570)	
Bonds payable	(32,860,000)	
Net pension liability	(7,675,516)	
Net OPEB liability	(55,493,437)	(100,600,107)

Deferred inflows of resources and deferred outflows of resources related to the School's net pension liability are based on the differences between actuarially determined actual and expected investment returns, differences in actual and expected experience, changes in assumptions, changes in the actuarially determined proportion of the School's amount of the total pension liability, and pension contributions made after the measurement date of the net pension liability. These amounts will be amortized over the estimated remaining average service life of the employees.

Deferred outflows - pension	4,725,901	
Deferred inflows - pension	(1,356,783)	3,369,118

Deferred inflows of resources and deferred outflows of resources related to the School's net OPEB liability are based on the differences between actuarially determined actual and expected investment returns, differences in actual and expected experience, changes in assumptions, changes in the actuarially determined proportion of the School's amount of the total OPEB liability, and OPEB contributions made after the measurement date of the net OPEB liability. These amounts will be amortized over the estimated remaining average service life of the employees.

Deferred outflows - OPEB	26,526,117	
Deferred inflows - OPEB	(7,032,364)	19,493,753

TOTAL NET DEFICIT - GOVERNMENTAL ACTIVITIES	\$ (35,376,766)
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The accompanying notes are an integral part of these financial statements.

**ODYSSEY CHARTER SCHOOL, INC.**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(With Summarized Comparative Data for the Year Ended June 30, 2020)**

	General Fund	Debt Service Fund	Repair and Replacement Fund	Supplementary Reserve Fund	Total Governmental Funds	
					2021	2020
<b>REVENUES</b>						
Charges to school districts	\$ 8,469,663	\$ -	\$ -	-	\$ 8,469,663	\$ 8,106,496
State aid	16,014,793	-	-	-	16,014,793	15,321,161
Federal aid	2,457,880	-	-	-	2,457,880	972,938
Interest income	68,078	354	44	6	68,482	215,895
Food service revenue	24,166	-	-	-	24,166	583,879
Facilities rental	845,616	-	-	-	845,616	779,437
After care	20,125	-	-	-	20,125	285,336
Summer camp	-	-	-	-	-	30,174
Donations	143,919	-	-	-	143,919	98,005
Transportation	404,921	-	-	-	404,921	434,921
Other local revenues	156,672	-	-	-	156,672	289,634
<b>TOTAL REVENUES</b>	<b>28,605,833</b>	<b>354</b>	<b>44</b>	<b>6</b>	<b>28,606,237</b>	<b>27,117,876</b>
<b>EXPENDITURES</b>						
Current:						
Instruction	16,246,572	-	-	-	16,246,572	16,355,704
Operation and maintenance of facilities	5,257,040	-	-	-	5,257,040	5,136,753
Transportation	985,232	-	-	-	985,232	1,189,348
Food services	623,760	-	-	-	623,760	959,560
Capital outlay	1,055,011	-	-	-	1,055,011	1,440,819
Debt service:						
Principal	562,787	490,000	-	-	1,052,787	783,282
Interest and other charges	199,594	2,275,513	-	-	2,475,107	2,484,598
<b>TOTAL EXPENDITURES</b>	<b>24,929,996</b>	<b>2,765,513</b>	<b>-</b>	<b>-</b>	<b>27,695,509</b>	<b>28,350,064</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,675,837</b>	<b>(2,765,159)</b>	<b>44</b>	<b>6</b>	<b>910,728</b>	<b>(1,232,188)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Loan proceeds	452,125	-	-	-	452,125	-
Capital lease proceeds	147,000	-	-	-	147,000	-
Refund of prior year revenue	(322)	-	-	-	(322)	(114,127)
Transfers in	471,880	2,717,553	-	-	3,189,433	2,909,606
Transfers out	(2,717,553)	-	(71,874)	(400,006)	(3,189,433)	(2,909,606)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,646,870)</b>	<b>2,717,553</b>	<b>(71,874)</b>	<b>(400,006)</b>	<b>598,803</b>	<b>(114,127)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,028,967</b>	<b>(47,606)</b>	<b>(71,830)</b>	<b>(400,000)</b>	<b>1,509,531</b>	<b>(1,346,315)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>700,026</b>	<b>2,831,267</b>	<b>409,484</b>	<b>400,000</b>	<b>4,340,777</b>	<b>5,687,092</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 2,728,993</b>	<b>\$ 2,783,661</b>	<b>\$ 337,654</b>	<b>\$ -</b>	<b>\$ 5,850,308</b>	<b>\$ 4,340,777</b>

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

**ODYSSEY CHARTER SCHOOL, INC.**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 1,509,531

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$1,000 are capitalized, and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 1,038,378	
Depreciation expense	<u>(1,035,365)</u>	3,013

Debt proceeds are reported as financing sources in the governmental funds and, thus, contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. In addition, bond premiums are reported as other financing sources; however, these amounts are reported on the statement of net position as deferred charges and amortized over the life of the debt.

Debt proceeds	(599,125)	
Principal repayments on capital lease, loans, and bonds	<u>1,052,787</u>	453,662

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Accrued interest	8,531	
Compensated absences	<u>(215,423)</u>	(206,892)

Pension expenses in the statement of activities differ from the amount reported in the governmental funds because pension expenses are recognized on the statement of activities based on the School's proportionate share of the expenses of the cost-sharing pension plan, whereas pension expenditures are recognized in the governmental funds when a requirement to remit contributions to the plan exists. (1,131,358)

OPEB expenses in the statement of activities differ from the amount reported in the governmental funds because OPEB expenses are recognized on the statement of activities based on the School's proportionate share of the expenses of the cost-sharing pension plan, whereas OPEB expenditures are recognized in the governmental funds when a requirement to remit contributions to the plan exists. (5,912,184)

CHANGE IN NET DEFICIT - GOVERNMENTAL ACTIVITIES \$ (5,284,228)

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

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Charter School

Odyssey Charter School, Inc. ("the School") is organized under Delaware Code, Title 14, Chapter 5 of the State of Delaware. The Charter School Law grants authority for independent public schools to be created for the purpose of increasing choices for parents of public school students and increasing academic performance. A charter school is an independent public school governed by an independent board of directors. In Delaware, charter schools have the same basic standing as a school district with some exceptions - most notably, they may not levy taxes. To encourage innovation, charter schools operate free from a number of state laws and regulations. The School's initial charter was granted for a three-year period, renewable every five years thereafter.

Charter schools are funded similarly to other public schools in that state and local funds are allocated for each enrolled student. Public funds are not provided for facilities. Charter schools may charge for selected additional costs consistent with those permitted by other school districts. Because a charter school receives local, state, and federal funds, they may not charge tuition.

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the School are described below.

Reporting Entity

The School is the primary government and is considered a component unit of the State of Delaware. A component unit, although a legally separate entity, is, in substance, part of the State of Delaware's operations. The School has no component units for which it is considered to be financially accountable.

Entity-wide and Fund Financial Statements

The entity-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the School. For the most part, the effect of interfund activity has been removed from these financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Amounts reported as program revenues include 1) charges to students for special fees, supplies, food, or services provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include charges to school districts.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

**Entity-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Charges to the School are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Governmental fund financial statements** are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Charges to the school districts, state appropriations, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the School receives cash.

Separate financial statements are provided for governmental funds. The major individual governmental funds are reported as separate columns in the fund financial statements.

The School reports the following major governmental funds:

- **General Fund** – The general fund is the School's primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund.
- **Debt Service Fund** – These funds are maintained to accumulate resources for the payment of interest and principal on long-term general obligation debt.
- **Repair and Replacement Fund** – These funds are maintained to accumulate resources for the payment of repairs and maintenance of school facilities.

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- **Supplementary Reserve Fund** – These funds are maintained to pay for renovations of the school property.

Investments

Investments are recorded at fair value.

In establishing the fair value of investments, the School uses the following hierarchy. The lowest level of valuation available is used for all investments.

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

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

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion) or "advances from/to other funds" (i.e., the noncurrent portion). At June 30, 2021, the School had no such activity.

Advances between funds, when present in the financial statements, are offset by fund balance reserves in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. At June 30, 2021, the School had no such activity.

The School considers all accounts receivable at year end to be collectible; therefore, no allowance for doubtful accounts has been recorded.

Capital Assets

Capital assets, which include land, buildings, building improvements, furniture and equipment, books, and vehicles are reported in the entity-wide financial statements. The School defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year.



ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Such assets are recorded at historical cost. When the historical cost cannot be determined, the value shall be fixed by estimation based on those assets which are currently in existence. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend lives of the assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings and building improvements, and furniture and equipment of the School are depreciated using the straight-line method over the estimated useful lives of the related assets. The School generally uses the following estimated useful lives:

Buildings and building improvements	40 years
Furniture and equipment	5 years
Books	3 years
Vehicles	5 - 10 years

Compensated Absences

Vacation pay plus related payroll taxes are accrued when incurred in the entity-wide financial statements. The liability for these amounts is reported in the governmental funds only when the liability matures, for example, as a result of employee resignations and retirements.

Fund Equity

Fund balance will be displayed in the following classification (if applicable) depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts that can be used only for specific purposes determined by formal action of the Board of Directors. The Board is the highest level of decision-making authority for the School. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Directors.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The School Director may assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the School considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds, and finally, unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Any remaining portions of net position are reflected as unrestricted. When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first and then unrestricted resources as they are needed.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The School reports deferred pension and OPEB contributions resulting from pension and OPEB contributions subsequent to the measurement date of the net pension and OPEB liabilities and certain other items which represent differences related to changes in the net pension and OPEB liabilities which will be amortized over future periods. In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents a source of net position that applies to future periods. The School reports certain items which represent differences related to changes in the net pension and OPEB liabilities which will be amortized over future periods.

Use of Estimates in the Preparation of Financial Statements

The preparation of basic 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Comparative Data

Comparative total data for the prior year is presented in the basic financial statements to provide an understanding of changes in the School's financial position and operations. That comparative data is not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America and has been restated and reclassified, as needed, from the presentation in the School's June 30, 2020 basic financial statements to be comparative with the current year presentation.

NOTE 2 CASH, POOLED CASH, AND INVESTMENTS

***Deposits***

At June 30, 2021, the School had a cash and pooled cash balance of \$5,603,514. Of that amount, \$5,547,830, was part of an investment pool controlled by the personnel of the State Treasurer's Office in Dover, Delaware, and all investment decisions are made by the State Treasurer's Office. These funds are considered to be highly liquid and available for immediate use and, thus, are recorded as pooled cash in these financial statements.

The funds held by the State of Delaware investment pool, an internal investment pool, are specifically identified for the School, but the credit risk cannot be categorized for these funds. Credit risk for such investments depends on the financial stability of the State of Delaware. The State reports that its investment securities are stated at quoted market prices, except that investment securities with a remaining maturity at time of purchase of one year or less are stated at cost or amortized cost.

At June 30, 2021, the reported amount of the School's deposits outside of the State Treasurer's Office was \$55,684. The bank balance at June 30, 2021 was \$20,684, all of which was covered by federal depository insurance.

***Investments***

State statutes authorize the School to invest in U.S. government securities, government agency securities, certificates of deposit, time deposits and bankers acceptances, corporate debt instruments, money market funds, and other similar instruments that are insured by the Federal Deposit Insurance Corporation ("FDIC") or are backed by the full faith and credit of the United States of America or any of its agencies or instrumentalities.

The School categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The School has the following recurring fair value measurements as of June 30, 2021:

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH, POOLED CASH, AND INVESTMENTS (cont'd)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market Mutual Fund	<u>\$3,121,315</u>	<u>\$3,121,315</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$3,121,315</u>	<u>\$3,121,315</u>	<u>\$ -</u>	<u>\$ -</u>

Investments in external investment pools, such as those in mutual funds, are disclosed but not subject to interest rate, custodial credit, or concentration risks because they are not evidenced by securities that exist in physical or book entry form.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 is as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b><i>Governmental Activities:</i></b>				
General capital assets not being depreciated:				
Land	\$11,704,800	\$ -	\$ -	\$11,704,800
Construction-in-progress	<u>1,317,047</u>	<u>227,040</u>	<u>1,314,959</u>	<u>229,128</u>
Total general capital assets not being depreciated	<u>13,021,847</u>	<u>227,040</u>	<u>1,314,959</u>	<u>11,933,928</u>
General capital assets being depreciated:				
Buildings/building improvements	25,654,263	1,684,783	-	27,339,046
Furniture and equipment	1,414,486	294,514	-	1,709,000
Books	567,632	-	-	567,632
Vehicles	<u>1,030,387</u>	<u>147,000</u>	<u>-</u>	<u>1,177,387</u>
Total general capital assets being depreciated	<u>28,666,768</u>	<u>2,126,297</u>	<u>-</u>	<u>30,793,065</u>
Accumulated depreciation	<u>(5,181,466)</u>	<u>(1,035,365)</u>	<u>-</u>	<u>(6,216,831)</u>
Total general capital assets being depreciated, net	<u>23,485,302</u>	<u>1,090,932</u>	<u>-</u>	<u>24,576,234</u>
Governmental Activities, Net	<u>\$36,507,149</u>	<u>\$1,317,972</u>	<u>\$1,314,959</u>	<u>\$36,510,162</u>

Depreciation expense was charged to the following governmental activities:

Instructional services	\$ 189,317
Operation and maintenance of facilities	701,598
Transportation	<u>144,450</u>
	<u>\$ 1,035,365</u>

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 LONG-TERM DEBT

Revenue Bonds

General Obligation Bonds Series 2015 A and B – On February 18, 2015, the School issued \$34,650,000 in revenue bonds. The bonds were issued to finance the purchase and redevelopment of approximately 36 acres of land, improved with eight buildings at Barley Mill, and pay the costs and expenses of issuing and insuring the bond. Interest is payable on a semi-annual basis. The bonds bear interest at rates ranging from 6.25% to 7.00% and mature annually beginning in March 2017 through September 2045. The 2015 B Bonds were paid in full in 2019.

\$32,860,000

Loans

Term loan with a bank, interest at prime plus 0.5% per annum (3.75% at June 30, 2021), paid in monthly installments of \$2,796, with the remaining balance due March 2029; the loan is unsecured.

296,401

Term loan with a bank, interest at prime plus 0.5% per annum (3.75% at June 30, 2021), paid in monthly installments of \$14,639 with the remaining balance due March 2029, secured by the building.

1,625,095

Term loan with a bank, interest at 5.99% per annum, paid in monthly installments of \$5,228, with the remaining balance due December 2022. The loan is secured by buses purchased.

84,458

Term loan with a bank, interest at 5.35% per annum, paid in monthly installments of \$9,393, with the remaining balance due August 2023. The loan is secured by buses purchased.

230,191

Term loan with a bank, interest at 5.70% per annum, paid in monthly installments of \$3,556, with the remaining balance due November 2023. The loan is secured by buses purchased.

96,078

Term loan, interest at 2.5% per annum, paid in monthly installments of \$2,928, with the remaining balance due January 2026. The loan is unsecured.

149,371

Term loan, interest at 2.44% per annum, paid in monthly installments of \$12,559 with the remaining balance due July 2023. The loan is secured by equipment.

313,976

TOTAL LOANS OUTSTANDING

2,795,570

TOTAL BONDS AND LOANS OUTSTANDING

\$35,655,570

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 LONG-TERM DEBT (cont'd)

The total principal and interest maturities are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,000,988	\$ 2,407,359	\$ 3,408,347
2023	1,010,976	2,487,055	3,498,031
2024	777,280	2,310,484	3,087,764
2025	775,904	2,226,552	3,002,456
2026	806,789	2,178,932	2,985,721
2027 - 2031	5,508,633	9,890,294	15,398,927
2032 - 2036	5,775,000	8,026,844	13,801,844
2037 - 2041	8,265,000	5,634,125	13,899,125
2042 - 2046	11,735,000	2,168,075	13,903,075
Total	<u>\$ 35,655,570</u>	<u>\$ 37,329,720</u>	<u>\$ 72,985,290</u>

Interest expense and other charges were \$2,424,984 for the year ended June 30, 2021.

A schedule of changes in debt is as follows:

	<u>Amounts Outstanding 7/1/2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Amounts Outstanding 6/30/2021</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$33,350,000	\$ -	\$ (490,000)	\$32,860,000	\$ 525,000
Loans payable	2,886,373	452,125	(542,928)	2,795,570	475,988
	36,236,373	452,125	(1,032,928)	35,655,570	1,000,988
Compensated absences	673,020	215,423	-	888,443	-
Capital lease payable	-	147,000	(19,859)	127,141	48,394
Net OPEB liability	38,856,092	16,637,345	-	55,493,437	-
Net pension liability	7,798,847	-	(123,331)	7,675,516	-
Total Governmental Activities	<u>\$83,564,332</u>	<u>\$17,451,893</u>	<u>\$(1,176,118)</u>	<u>\$99,840,107</u>	<u>\$ 1,049,382</u>

Payments of bonds and loans payable are expected to be funded by the general and debt service funds, and all other liabilities are expected to be funded by the general fund.

NOTE 5 PENSION PLAN

Plan Description

School employees are considered state employees and are covered under the State of Delaware Employees' Pension Plan ("the Plan"), which is a cost-sharing, multiple-employer

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 PENSION PLAN (cont'd)

defined benefit public employees' retirement system ("the State PERS") defined by the Delaware Code.

The State of Delaware General Assembly is responsible for setting benefits and contributions, and amending plan provisions; administrative rules and regulations are adopted and maintained by the Board of Pension Trustees.

The following are brief descriptions of the Plan in effect as of June 30, 2021. For a more complete description, please refer to the Delaware Employees' Pension Plan Comprehensive Annual Financial Report. Separately issued financial statements for the Plan may be obtained by writing to the State of Delaware Public Employee Retirement System, McArdle Building, Suite 1, 860 Silver Lake Boulevard, Dover, DE 19904; by calling 1-800-722-7300; or by visiting the PERS website at [www.delawarepensions.com](http://www.delawarepensions.com).

Plan Description and Eligibility

The State Employees' Pension Plan covers virtually all full-time or regular part-time employees of the State, including employees of other affiliated entities.

There are two tiers within this plan: 1) employees hired prior to January 1, 2012 (Pre-2012), and 2) employees hired on or after January 1, 2012 (Post-2011).

Benefits Provided

*Service Benefits*

Final average monthly compensation (employees hired Post-2011 may not include overtime in pension compensation) multiplied by 2.0 percent and multiplied by years of credited service prior to January 1, 1997, plus final average monthly compensation multiplied by 1.85 percent and multiplied by years of credited service after December 31, 1996, subject to minimum limitations. For this plan, final average monthly compensation is the monthly average of the highest three periods of twelve consecutive months of compensation.

*Vesting*

Pre-2012 date of hire employees vest in the plan after five years of credited service. Post-2012 date of hire employees vest in the plan after ten years of credited service.

*Retirement*

Pre-2012 date of hire employees may retire at age 62 with five years of credited service; at age 60 with 15 years of credited service; or after 30 years of credited service at any age. Post-2012

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 PENSION PLAN (cont'd)

date of hire employees may retire at age 65 with at least 10 years of credited service; at age 60 with 20 years of credited service; or after 30 years of credited service at any age.

*Disability Benefits*

Disability benefits for Pre-2012 date of hire employees are offered using the same calculations as the Service Benefits described above. Employees in this program must have five years of credited service. In lieu of disability pension benefits, over 90 percent of the members of this plan opted into a Disability Insurance Program offered by the State effective January 1, 2006. Post-2012 date of hire employees are also included in the Disability Insurance Program.

*Survivor and Burial Benefits*

In the event of the death of a member of the Plan, the eligible survivor receives 50 percent of the benefits received under the pension (or 75 percent with a three percent reduction of the benefit). If the employee is an active member of the Plan with at least five years of credited service, the eligible survivor receives 75 percent of the benefit the active employee would have received at age 62.

Burial benefits are established at \$7,000 per plan member.

Contributions

*Member Contributions*

Pre-2012 date of hire employees contribute three percent of earnings in excess of \$6,000. Post-2012 date of hire employees contribute five percent of earnings in excess of \$6,000.

*Employer Contributions*

Employer contributions are determined by the Board of Pension Trustees. For the year ended June 30, 2021, the rate of the employer contribution was 12.33 percent of covered payroll. The School's contribution to PERS for the year ended June 30, 2021 was \$1,486,074.

*PRI Contribution*

All reporting units participating in the State PERS make contributions to a PRI fund which accumulates resources to fund ad hoc postretirement increases granted by the General Assembly. The increases are funded over a five-year period from the PRI fund. The allocation of the contribution from the PRI fund to the Pension Trust is a reduction of the net pension liability of each participating employer.



ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 PENSION PLAN (cont'd)

Pension Liability and Expense, and Deferred Outflows and Inflows of Resources

At June 30, 2021, the School reported a liability of \$7,675,516 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by rolling forward the Plan's total pension liability as of June 30, 2019 to June 30, 2020. The School's proportion of the net pension liability was calculated based on the actual contributions made during the measurement period in proportion to the total of all employer contributions made during the measurement period. At June 30, 2020, the School's proportion was 0.5460 percent, which was an increase of 0.0452 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School recognized pension expense in the amount of \$2,617,432. At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 1,333,724
Difference between actual and expected experience	1,000,614	23,059
Changes in assumptions	537,684	-
Changes in proportions	1,701,529	-
Contributions subsequent to the date of measurement	<u>1,486,074</u>	<u>-</u>
	<u>\$ 4,725,901</u>	<u>\$ 1,356,783</u>

An amount of \$1,486,074 is reported as deferred outflows of resources resulting from the School's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources related to pensions, and will be recognized in pension expense as follows:

Year Ending June 30,

2022	\$ 235,680
2023	433,018
2024	531,693
2025	252,824
2026	<u>429,829</u>
	<u>\$1,883,044</u>

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 PENSION PLAN (cont'd)

Actuarial Assumptions

The total pension liability as of the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, and update procedures were used to roll forward the total pension liability to June 30, 2020. These actuarial valuations used the following actuarial assumptions, applied to all periods:

- Investment return – 7.0 percent, including inflation of 2.5 percent
- Salary increases – 2.5 percent + merit, including inflation of 2.5 percent
- Cost-of-living adjustments – ad hoc

The total pension liabilities are measured based on assumptions pertaining to interest rates, inflation rates, and employee demographic behavior in future years. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the actual experience deviates, the larger the impact on future financial statements.

Mortality rates were based on the RP-2014 tables with gender adjustments for healthy annuitants and disabled retirees, and an adjusted version on MP-2015 mortality improvement scale on a fully generational basis.

Projected benefit payments do not include the effects of projected ad hoc cost-of-living adjustments ("ad hoc COLAs"), as they are not substantively automatic. The primary considerations relevant to making this determination include the historical patterns of granting the changes and the consistency in the amounts of the changes.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Plan are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Target Asset Allocation</u>
Domestic equity	5.7%	28.5%
International equity	5.7%	15.2%
Fixed income	2.0%	28.8%
Alternative investments	7.8%	23.0%
Cash and equivalents	0.0%	4.5%

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 PENSION PLAN (cont'd)

Discount Rate

The discount used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at rates determined by the Board of Pension Trustees, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.0 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current rate.

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
School's proportionate share of the net pension liability	\$ 14,737,159	\$ 7,675,516	\$ 1,724,807

Pension Plan Fiduciary Net Position

Detailed information about PERS' fiduciary net position is available in PERS Comprehensive Annual Financial Report, which can be found on the Plan's website at [www.delawarepensions.com](http://www.delawarepensions.com).

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

School employees are considered state employees and are covered under the State of Delaware Employees' Other Postemployment Benefits ("OPEB") Fund Trust ("the Plan"), which is a cost-sharing, multiple-employer defined benefit plan defined by the Delaware Code.

The State of Delaware General Assembly is responsible for setting benefits and contributions, and amending plan provisions; administrative rules and regulations are adopted and maintained by

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

the DPERS Board of Pension Trustees, which acts as the Board of Trustees for the Plan and is responsible for the financial management of the Plan.

The following are brief descriptions of the Plan in effect as of June 30, 2021. For a more complete description, please refer to the Delaware Public Employees' Retirement System Comprehensive Annual Financial Report. Separately issued financial statements for the Plan may be obtained by writing to the State of Delaware Public Employee Retirement System, McArdle Building, Suite 1, 860 Silver Lake Boulevard, Dover, DE 19904; by calling 1-800-722-7300; or by visiting the PERS website at [www.delawarepensions.com](http://www.delawarepensions.com).

Plan Description and Eligibility

The Plan is a cost-sharing multiple employer plan that covers all employees of the State that are eligible to participate in the defined benefit pension plan, including employees of other affiliated entities.

Benefits Provided

The Plan provides medical coverage to pensioners and their eligible dependents. The participant's cost of Plan benefits is variable based on years of service. Pensioners who retire after July 1, 2012 and who become eligible for Medicare will pay an additional five percent of the Medicare Supplement offered by the State. Surviving spouses are eligible for coverage after a retiree's death.

Contributions

*Employer Contributions*

Participating employers fund the Plan for current retirees on a pay-as-you-go basis along with funding for future benefits at a rate that is approved in the annual budget, but not actuarially determined. For the year ended June 30, 2021, the rate of the employer contribution was 11.80 percent of covered payroll. The School's contribution to the Plan for the year ended June 30, 2021 was \$1,422,501.

Other Postemployment Benefits Plan Liability and Expense, and Deferred Outflows and Inflows of Resources

At June 30, 2021, the School reported a liability of \$55,493,437 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the Plan's total OPEB liability as of June 30, 2019 to June 30, 2020. The School's proportion of the net OPEB liability was calculated based on the actual contributions made during the measurement period.

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

in proportion to the total of all employer contributions made during the measurement period. At June 30, 2020, the School's proportion was 0.5330 percent, which was an increase of 0.0454 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School recognized OPEB expense of \$7,334,685. At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ -	\$ 61,648
Net difference between projected and actual experience	1,611,286	3,814,585
Changes in proportions	14,108,231	-
Changes in assumptions	9,384,099	3,156,131
Contributions subsequent to the date of measurement	1,422,501	-
	<u>\$26,526,117</u>	<u>\$ 7,032,364</u>

An amount of \$1,422,501 is reported as deferred outflows of resources resulting from the School's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources related to OPEB and will be recognized in OPEB expense as follows:

Year Ending June 30,

2022	\$ 2,720,386
2023	2,742,169
2024	3,780,663
2025	4,138,177
2026	4,689,857
	<u>\$18,071,252</u>

Actuarial Assumptions

The total OPEB liability as of the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, and update procedures were used to roll forward the

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

total OPEB liability to June 30, 2020. These actuarial valuations used the following actuarial assumptions, applied to all periods:

- Investment return – 2.21 percent
- Salary increases – 3.25 percent + merit
- Healthcare cost trend rates – 5.60 percent

Mortality rates were based on the Sex Distinct RP-2014 Total Dataset Healthy Annuitant Mortality Table, including adjustment for healthy annuitant and disabled annuitant. Future mortality improvements are reflected by applying a custom projection scale on a generational basis to adjusted base tables from the base year.

The total OPEB liabilities are measured based on the assumptions pertaining to interest rates, inflation rates, and employee demographic behavior in future years. The assumptions used were based on the results of an actuarial experience study conducted in 2016. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the actual experience deviates, the larger the impact on future financial statements.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50 percent at the beginning of the current measurement period and 2.21 percent at the end, based on the Bond Buyer GO 20-Bond Municipal Bond Index, an index satisfying the GASB requirement of an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that employer contributions to the Plan will continue to follow the pay-as-you-go contribution policy. Based on the assumptions of a pay-as-you-go plan, the discount rates used at the June 30, 2020 and 2019 measurement date are equal to the applicable rate of the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of the School's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, calculated using the discount rate of 2.21 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.21 percent) or one percentage point higher (3.21 percent) than the current rate.

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
School's proportionate share of the net OPEB liability	\$ 66,520,965	\$ 55,493,437	\$ 46,877,504

Sensitivity of the School's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, calculated using the healthcare cost trend rate of 5.60 percent, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (4.60 percent) or one percentage point higher (6.60 percent) than the current rate.

	1% Decrease 4.60%	Current Healthcare Trend Rate 5.60%	1% Increase 6.60%
School's proportionate share of the net OPEB liability	\$ 52,072,572	\$ 55,493,437	\$ 60,711,132

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in PERS Comprehensive Annual Financial Report, which can be found on the Plan's website at [www.delawarepensions.com](http://www.delawarepensions.com).

NOTE 7 LEASING ARRANGEMENTS

Operating Lease - Lessee

The School leases three buses under an operating lease arrangement that expired in January 2021. Total rental expense for the year ended June 30, 2021 was \$27,528.

Operating Lease – Lessor

The School leases buildings under an operating lease to Academia Antonia Alonso, Inc. with an expiration date of July 31, 2022. Additionally, the School leases buildings under an operating lease to ABC Kids Academy with an expiration date of December 31, 2024. Total rental income for the year ended June 30, 2021 was \$845,616.

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 LEASING ARRANGEMENTS (cont'd)

At June 30, 2021, the minimum future rental payments under the lease are as follows:

Year Ending June 30,

2022	\$ 250,442
2023	194,907
2024	199,779
2025	<u>101,122</u>

Minimum future rental payments required	<u>\$ 746,250</u>
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Capital Lease

The School has entered into a lease agreement as a lessee for financing the acquisition of three school buses. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

The assets acquired through the capital leases are as follows:

Vehicles	\$ 147,000
Less: accumulated depreciation	<u>(6,125)</u>
TOTAL	<u>\$ 140,875</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

Year Ending June 30,

2022	\$ 50,652
2023	50,652
2024	<u>29,547</u>
Total minimum lease payments	130,851
Less: amount representing interest	<u>(3,710)</u>
Present value of minimum lease payments	<u>\$ 127,141</u>

NOTE 8 RISK MANAGEMENT

The School has purchased commercial insurance policies for various risks of loss related to torts; theft, damage, or destruction of assets; errors or omissions; injuries to employees; or acts of God.



ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 8 RISK MANAGEMENT (cont'd)

Payments of premiums for these policies are recorded as expenses of the School. Insurance settlements have not exceeded insurance coverage in any of the past two years. There were no significant reductions in coverage compared to the prior year.

NOTE 9 COMMITMENTS AND CONTINGENCIES

In the normal course of business, there are various outstanding commitments and contingent liabilities in addition to the normal encumbrances for the purchase of goods and services. The School does not anticipate losses from these transactions.

Capital Improvement Commitments

As of June 30, 2021 the School had \$229,128 in costs related to the large gym renovation in construction-in-progress. The School is currently in the process of raising the necessary capital needed to complete the project and then will need to select a contractor to complete the project.

NOTE 10 FUND BALANCES

As of June 30, 2021, fund balances are composed of the following:

	General Fund	Debt Service Fund	Repair and Replacement Fund	Supplementary Reserve Fund	Total Governmental Funds
Restricted:					
Debt service	\$ -	\$2,783,661	\$ -	\$ -	\$ 2,783,661
School facilities	-	-	337,654	-	337,654
Unassigned	2,728,993	-	-	-	2,728,993
Total Fund Balances	<u>\$2,728,993</u>	<u>\$2,783,661</u>	<u>\$ 337,654</u>	<u>\$ -</u>	<u>\$ 5,850,308</u>

NOTE 11 EXCESS EXPENDITURES OVER APPROPRIATIONS

The School overspent budgetary appropriations in the following categories:

Communication	\$ 6,948
Debt service - principal	\$ 327,787
Debt service - interest	\$ 199,594

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 11 EXCESS EXPENDITURES OVER APPROPRIATIONS (cont'd)

The excess expenditures were covered by other expenditure categories that were less than their budgeted appropriation.

NOTE 12 INTERNAL TRANSFERS

Interfund transfers for the year ended June 30, 2021 are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Net Transfer In (Out)</u>
General	\$ 471,880	\$2,717,553	\$(2,245,673)
Debt service	2,717,553	-	2,717,553
Repair and replacement	-	71,874	(71,874)
Supplementary reserve	-	400,006	(400,006)
	<u>\$3,189,433</u>	<u>\$3,189,433</u>	<u>\$ -</u>

Transfers from the general fund to the debt service fund were to cover the current year debt service payments. Transfers from the repair and replacement fund to the general fund were for repairs. Transfers from the supplemental reserve fund to the general fund were approved by the bond trustees and were for the release of reserve funds for renovations of the School.

NOTE 13 DEFICIT NET POSITION

For governmental activities, the unrestricted net deficit amount of \$39,225,532 includes the effect of deferring the recognition of pension and OPEB contributions made subsequent to the measurement date of the net pension and OPEB liabilities, and the deferred outflows related to the pension and OPEB plans. This is offset by the School's actuarially determined pension and OPEB liabilities, and the deferred inflows related to the pension and OPEB plans.

NOTE 14 UNCERTAINTIES

As a result of the spread of the COVID-19 coronavirus which is ongoing at June 30, 2021, economic and operational uncertainties have arisen which may impact the School in fiscal year 2022. While the School has fully resumed in-class learning, there continues to be uncertainty regarding the potential for another resurgence of the virus, which may require another period of remote or hybrid learning. The extent of the potential impact is unknown as the COVID-19 pandemic continues to develop.

ODYSSEY CHARTER SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 14 UNCERTAINTIES (cont'd)

Grants

The School receives significant financial assistance from federal agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the State Office of Auditor of Accounts. Any disallowed claims resulting from such audits could become a liability of the general fund. The School's administration believes such disallowance, if any, would be immaterial.

NOTE 15 SUBSEQUENT EVENTS

The School has evaluated all subsequent events through September 30, 2021, the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**ODYSSEY CHARTER SCHOOL, INC.**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges to school districts	\$ 8,408,921	\$ 8,507,891	\$ 8,469,663	\$ (38,228)
State aid	15,467,201	15,860,056	16,014,793	154,737
Federal aid	889,394	1,763,261	2,457,880	694,619
Interest income	-	-	68,078	68,078
Food service revenue	853,796	408,535	24,166	(384,369)
Facilities rental	782,284	702,993	845,616	142,623
After care	200,000	55,338	20,125	(35,213)
Donations	75,000	77,000	143,919	66,919
Transportation	405,000	405,000	404,921	(79)
Other local revenues	-	6,485	156,672	150,187
<b>TOTAL REVENUES</b>	<b>27,081,596</b>	<b>27,786,559</b>	<b>28,605,833</b>	<b>819,274</b>
<b>EXPENDITURES</b>				
Current:				
Salaries	13,451,105	13,103,141	12,909,000	194,141
Employment costs	6,407,834	6,305,731	6,196,767	108,964
Travel	13,300	2,600	592	2,008
Contractual services	1,950,773	2,108,986	1,657,382	451,604
Communication	42,090	40,800	47,748	(6,948)
Professional development	129,650	125,000	-	125,000
Public utilities service	424,000	399,000	302,420	96,580
Insurance	173,000	179,520	174,079	5,441
Related services	487,032	455,550	361,967	93,583
Supplies and materials	1,073,436	1,550,202	1,436,405	113,797
Student activities	75,000	75,000	26,244	48,756
Capital outlay	1,482,155	1,296,580	1,055,011	241,569
Debt service:				
Principal	235,000	235,000	562,787	(327,787)
Interest	-	-	199,594	(199,594)
<b>TOTAL EXPENDITURES</b>	<b>25,944,375</b>	<b>25,877,110</b>	<b>24,929,996</b>	<b>947,114</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>1,137,221</b>	<b>1,909,449</b>	<b>3,675,837</b>	<b>1,766,388</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan proceeds	-	-	452,125	452,125
Capital lease proceeds	-	-	147,000	147,000
Refund of prior year revenue	-	-	(322)	(322)
Transfer in	-	-	(322)	(322)
Transfer out	(2,710,270)	(2,710,270)	(2,717,553)	(7,283)
<b>TOTAL OTHER FINANCING USES</b>	<b>(2,710,270)</b>	<b>(2,710,270)</b>	<b>(2,119,072)</b>	<b>591,198</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,573,049)</b>	<b>(800,821)</b>	<b>1,556,765</b>	<b>2,357,586</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>700,026</b>	<b>700,026</b>	<b>700,026</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ (873,023)</b>	<b>\$ (100,795)</b>	<b>\$ 2,256,791</b>	<b>\$ 2,357,586</b>

NOTE: The School's budget is presented on the modified accrual basis of accounting.

**ODYSSEY CHARTER SCHOOL, INC.**  
**SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**STATE OF DELAWARE EMPLOYEES' PENSION PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2021**

PROPORTIONATE SHARE OF NET PENSION LIABILITY	MEASUREMENT DATE					
	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017	JUNE 30, 2016	JUNE 30, 2015
School's proportion of the net pension liability	0.5460%	0.5008%	0.4175%	0.3311%	0.2759%	0.2610%
School's proportion of the net pension liability - dollar value	\$ 7,675,516	\$ 7,798,847	\$ 5,392,007	\$ 4,854,293	\$ 4,158,223	\$ 1,736,595
School's covered employee payroll	\$ 11,771,087	\$ 10,394,413	\$ 8,289,453	\$ 6,450,522	\$ 5,273,609	\$ 4,868,305
School's proportionate share of the net pension liability as a percentage of its covered employee payroll	65.21%	75.03%	65.05%	75.25%	78.85%	35.67%
Plan fiduciary net position as a percentage of the total pension liability	87.27%	87.27%	85.41%	87.49%	85.31%	84.11%
						92.67%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**ODYSSEY CHARTER SCHOOL, INC.**  
**SCHEDULE OF SCHOOL PENSION CONTRIBUTIONS**  
**STATE OF DELAWARE EMPLOYEES' PENSION PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2021**

<u>CONTRIBUTIONS</u>	<u>JUNE 30, 2021</u>	<u>JUNE 30, 2020</u>	<u>JUNE 30, 2019</u>	<u>JUNE 30, 2018</u>	<u>JUNE 30, 2017</u>	<u>JUNE 30, 2016</u>	<u>JUNE 30, 2015</u>
Contractually required contribution	\$ 1,486,074	\$ 1,407,822	\$ 1,229,659	\$ 863,761	\$ 617,960	\$ 504,157	\$ 465,410
Contributions in relation to the contractually required contribution	1,486,074	1,407,822	1,229,659	863,761	617,960	504,157	465,410
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered employee payroll	\$ 12,052,506	\$ 11,771,087	\$ 10,394,413	\$ 8,289,453	\$ 6,450,522	\$ 5,273,609	\$ 4,868,305
Contributions as a percentage of covered employee payroll	12.33%	11.96%	11.83%	10.42%	9.58%	9.56%	9.56%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**ODYSSEY CHARTER SCHOOL, INC.**  
**SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**FOR THE YEAR ENDED JUNE 30, 2021**

<u>PROPORTIONATE SHARE OF NET OPEB LIABILITY</u>	<u>MEASUREMENT DATE</u>		
	<u>JUNE 30, 2020</u>	<u>JUNE 30, 2019</u>	<u>JUNE 30, 2018</u>
School's proportion of the net OPEB liability	0.5330%	0.4876%	0.4069%
School's proportion of the net OPEB liability - dollar value	\$ 55,493,437	\$ 38,856,092	\$ 33,409,781
School's covered employee payroll	\$ 11,771,087	\$ 10,394,413	\$ 8,289,453
School's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	471.44%	373.82%	403.04%
Plan fiduciary net position as a percentage of the total OPEB liability	4.27%	4.89%	4.44%
			4.13%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.



**ODYSSEY CHARTER SCHOOL, INC.**  
**SCHEDULE OF SCHOOL OPEB CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

<u>CONTRIBUTIONS</u>	<u>JUNE 30, 2021</u>	<u>JUNE 30, 2020</u>	<u>JUNE 30, 2019</u>	<u>JUNE 30, 2018</u>
Contractually required contribution	\$ 1,422,501	\$ 1,472,800	\$ 1,225,359	\$ 914,072
Contributions in relation to the contractually required contribution	1,422,501	1,472,800	1,225,359	914,072
Contribution excess	\$ -	\$ -	\$ -	\$ -
School's covered employee payroll	\$ 12,052,506	\$ 11,771,087	\$ 10,394,413	\$ 8,289,453
Contributions as a percentage of covered employee payroll	11.80%	12.51%	11.79%	11.03%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

## **SUPPLEMENTARY INFORMATION**

**ODYSSEY CHARTER SCHOOL, INC.**  
**COMBINING BALANCE SHEET - GENERAL FUND**  
**JUNE 30, 2021**

	State Allocation	Local Funding	Federal Funding	Elimination	Total
<b>ASSETS</b>					
Cash and pooled cash	\$ 673,010	\$ 4,930,504	\$ -	\$ -	\$ 5,603,514
Due from other funding source	-	47,072	-	(47,072)	-
Accounts receivable	-	71,185	66,943	-	138,128
<b>TOTAL ASSETS</b>	<b>\$ 673,010</b>	<b>\$ 5,048,761</b>	<b>\$ 66,943</b>	<b>\$ (47,072)</b>	<b>\$ 5,741,642</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 27,668	\$ 49,969	\$ 19,871	\$ -	\$ 97,508
Due to other funding source	-	-	47,072	(47,072)	-
Accrued salaries and related costs	-	2,906,416	-	-	2,906,416
Security deposit liability	-	8,725	-	-	8,725
<b>TOTAL LIABILITIES</b>	<b>27,668</b>	<b>2,965,110</b>	<b>66,943</b>	<b>(47,072)</b>	<b>3,012,649</b>
<b>FUND BALANCES</b>					
Unassigned	645,342	2,083,651	-	-	2,728,993
<b>TOTAL FUND BALANCES</b>	<b>645,342</b>	<b>2,083,651</b>	<b>-</b>	<b>-</b>	<b>2,728,993</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 673,010</b>	<b>\$ 5,048,761</b>	<b>\$ 66,943</b>	<b>\$ (47,072)</b>	<b>\$ 5,741,642</b>

**ODYSSEY CHARTER SCHOOL, INC.**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	State Allocation	Local Funding	Federal Funding	Total
<b>REVENUES</b>				
Charges to school districts	-	\$ 8,469,663	\$ -	\$ 8,469,663
State aid	16,014,793	-	-	16,014,793
Federal aid	-	-	1,911,383	1,911,383
Interest income	-	68,078	-	68,078
Food service revenue	-	24,166	546,497	570,663
Facilities rental	-	845,616	-	845,616
After care	-	20,125	-	20,125
Donations	-	143,919	-	143,919
Transportation	-	404,921	-	404,921
Other local revenues	-	156,672	-	156,672
<b>TOTAL REVENUES</b>	<u>16,014,793</u>	<u>10,133,160</u>	<u>2,457,880</u>	<u>28,605,833</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	10,801,973	4,249,970	1,194,629	16,246,572
Operation and maintenance of facilities	2,871,525	2,115,850	269,665	5,257,040
Transportation	954,974	30,258	-	985,232
Food services	71,100	6,163	546,497	623,760
Capital outlay	109,947	671,329	273,735	1,055,011
Debt service:				
Principal	213,777	178,166	170,844	562,787
Interest and other charges	153,162	43,922	2,510	199,594
<b>TOTAL EXPENDITURES</b>	<u>15,176,458</u>	<u>7,295,658</u>	<u>2,457,880</u>	<u>24,929,996</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>838,335</u>	<u>2,837,502</u>	<u>-</u>	<u>3,675,837</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Loan proceeds	-	452,125	-	452,125
Capital lease proceeds	-	147,000	-	147,000
Refund of prior year revenue	-	(322)	-	(322)
Transfer in	-	471,880	-	471,880
Transfer out	(209,528)	(2,508,025)	-	(2,717,553)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(209,528)</u>	<u>(1,437,342)</u>	<u>-</u>	<u>(1,646,870)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>628,807</u>	<u>1,400,160</u>	<u>-</u>	<u>2,028,967</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>16,535</u>	<u>683,491</u>	<u>-</u>	<u>700,026</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 645,342</u>	<u>\$ 2,083,651</u>	<u>\$ -</u>	<u>\$ 2,728,993</u>

**ODYSSEY CHARTER SCHOOL, INC.**  
**SCHEDULE OF EXPENDITURES BY NATURAL CLASSIFICATION -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

EXPENDITURES

Current:

Salaries	\$ 12,909,000
Employment costs	6,196,767
Travel	592
Contractual services	1,657,382
Communication	47,748
Public utilities service	302,420
Insurance	174,079
Repairs and maintenance	361,967
Supplies and materials	1,436,405
Student activities	26,244
Capital outlay	1,055,011
Debt service:	
Principal	1,052,787
Interest	2,475,107

TOTAL EXPENDITURES

\$ 27,695,509

## **SINGLE AUDIT SUPPLEMENT**



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

September 30, 2021

Board of Directors  
Odyssey Charter School, Inc.  
Wilmington, Delaware

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Odyssey Charter School, Inc. ("the School"), Wilmington, Delaware, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 30, 2021.

Internal Control Over Financial Reporting

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

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

Board of Directors  
Odyssey Charter School, Inc.

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
BARBACANE, THORNTON & COMPANY LLP





INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

September 30, 2021

Board of Directors  
Odyssey Charter School, Inc.  
Wilmington, Delaware

Report on Compliance for Each Major Federal Program

We have audited Odyssey Charter School Inc.'s ("the School") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the School's major federal programs for the year ended June, 30, 2021. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the School's major federal 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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 federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Board of Directors  
Odyssey Charter School, Inc.

We believe that our audit provides a reasonable basis for our opinion on compliance for the School's major federal programs. However, our audit does not provide a legal determination of the School's compliance.

#### Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2021.

#### Report on Internal Control Over Compliance

Management of the School 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 the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School'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 federal 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 federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Barbacane, Thornton & Company LLP*  
BARBACANE, THORNTON & COMPANY LLP

**ODYSSEY CHARTER SCHOOL, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR PROJECT TITLE	SOURCE CODE	FEDERAL CFDA NUMBER	GRANT PERIOD BEGINNING/ ENDING DATES	GRANT AMOUNT	TOTAL RECEIVED FOR YEAR	ACCRUED (DEFERRED) REVENUE 06/30/20	REVENUE RECOGNIZED	CURRENT YEAR EXPENDITURES	ACCRUED (DEFERRED) REVENUE 06/30/21	PASSED THROUGH TO SUB-RECIPIENTS
U.S. Department of Agriculture										
Passed through Delaware Department of Education										
Summer Food Service Program	I	10.559	07/01/20-06/30/21	N/A	\$ 499,425	\$ -	\$ 546,497	\$ 546,497	\$ 47,072	\$ -
Total CFDA #10.559					499,425	-	546,497	546,497	47,072	-
Total U.S. Department of Agriculture					499,425	-	546,497	546,497	47,072	-
U.S. Department of Education										
Passed through Delaware Department of Education										
Title I - Grants to Local Education Agencies	I	84.010	07/01/18-11/30/20	\$ 265,891	21,365	-	21,365	21,365	-	-
Title I - Grants to Local Education Agencies	I	84.010	07/01/19-11/30/21	264,233	82,506	-	82,506	82,506	-	-
Title I - Grants to Local Education Agencies	I	84.010	07/01/20-11/30/22	269,043	218,080	-	218,125	218,125	45	-
Total CFDA #84.10					321,951	-	321,986	321,986	45	-
Title IV - Student Support and Academic Enrichment Program (SSAE)										
Title IV - Student Support and Academic Enrichment Program (SSAE)	I	84.424	07/01/18-11/30/20	28,135	742	-	742	742	-	-
Title IV - Student Support and Academic Enrichment Program (SSAE)	I	84.424	07/01/19-11/30/21	29,188	23,312	-	23,312	23,312	-	-
Title IV - Student Support and Academic Enrichment Program (SSAE)	I	84.424	07/01/20-11/30/22	30,117	30,117	-	30,117	30,117	-	-
Total CFDA #84.424					54,171	-	54,171	54,171	-	-
IDEA, Part B										
IDEA, Part B	I	84.027	07/01/18-11/30/21	280,692	913	-	913	913	-	-
IDEA, Part B	I	84.027	07/01/19-11/30/21	296,714	150,605	-	150,605	150,605	-	-
IDEA, Part B	I	84.027	07/01/20-11/30/22	316,795	210,894	-	210,894	210,894	-	-
Total CFDA #84.027					362,412	-	362,412	362,412	-	-
IDEA Preschool										
IDEA Preschool	I	84.173	07/01/18-11/30/21	2,320	767	-	767	767	-	-
Total CFDA 84.173	I	84.173	07/01/20-11/30/22	5,604	4,409	-	4,409	4,409	-	-
Total CFDA 84.173					5,176	-	5,176	5,176	-	-
Total Special Education Cluster (IDEA)					367,588	-	367,588	367,588	-	-
Career and Technical Education - Basic Grants to States										
Career and Technical Education - Basic Grants to States	I	84.048	07/01/18-11/30/21	26,444	-	-	-	-	-	-
Career and Technical Education - Basic Grants to States	I	84.048	07/01/19-11/30/21	44,905	7,801	-	7,801	7,801	-	-
Career and Technical Education - Basic Grants to States	I	84.048	07/01/20-11/30/21	25,857	24,400	-	24,400	24,400	-	-
Total CFDA #84.048					32,201	-	32,201	32,201	-	-
Title II - Improving Teacher Quality State Grants										
Title II - Improving Teacher Quality State Grants	I	84.367	07/01/18-11/30/20	62,509	41,409	-	41,409	41,409	-	-
Title II - Improving Teacher Quality State Grants	I	84.367	07/01/19-11/30/21	61,371	48,464	-	61,371	61,371	12,907	-
Title II - Improving Teacher Quality State Grants	I	84.367	07/01/20-11/30/22	66,574	59,838	-	63,444	63,444	3,606	-
Total CFDA #84.367					149,711	-	166,224	166,224	16,513	-
Title III - English Language Acquisition										
Title III - English Language Acquisition	I	84.365	07/01/18-11/30/20	130	130	-	130	130	-	-
Total CFDA #84.365					130	-	130	130	-	-
Governor's Emergency Education Relief										
Governor's Emergency Education Relief	I	84.425C	07/01/19-12/30/22	88,000	82,848	-	82,848	82,848	-	-
Total CFDA #84.425C					82,848	-	82,848	82,848	-	-
Elementary and Secondary School Emergency Relief Fund										
Elementary and Secondary School Emergency Relief Fund	I	84.425D	07/01/19-11/30/22	214,793	190,948	-	190,948	190,948	-	-
Elementary and Secondary School Emergency Relief Fund	I	84.425D	07/01/20-11/30/23	878,266	586,000	-	589,313	589,313	3,313	-
Total CFDA #84.425D					776,948	-	780,261	780,261	3,313	-
Total Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act					859,796	-	863,109	863,109	3,313	-
Total U.S. Department of Education					1,785,548	-	1,805,419	1,805,419	19,871	-

**ODYSSEY CHARTER SCHOOL, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR PROJECT TITLE	SOURCE CODE	FEDERAL CFDA NUMBER	GRANT PERIOD BEGINNING/ ENDING DATES	GRANT AMOUNT	TOTAL RECEIVED FOR YEAR	ACCRUED (DEFERRED) REVENUE 06/30/20	REVENUE RECOGNIZED	CURRENT YEAR EXPENDITURES	ACCRUED (DEFERRED) REVENUE 06/30/21	PASSED THROUGH TO SUB-RECIPIENTS
U.S. Department of Health and Human Services (HHS)										
Passed through Delaware Department of Health and Human Services (HHS)	I	93.788	10/01/19-12/28/20	30,000	10,164	-	10,164	10,164	-	-
State Opioid Response					10,164	-	10,164	10,164	-	-
Total CFDA #93.788					10,164	-	10,164	10,164	-	-
Total U.S. Department of Health and Human Services (HHS)										
U.S. Department of Treasury										
Passed through New Castle County, Delaware	I	21.019	04/21/20-03/31/21	95,800	95,800	-	95,800	95,800	-	-
Coronavirus Relief Fund					95,800	-	95,800	95,800	-	-
Total CFDA #21.019					95,800	-	95,800	95,800	-	-
Total U.S. Department of Treasury										
TOTAL FEDERAL AWARDS					\$ 2,390,937	\$ -	\$ 2,457,880	\$ 2,457,880	\$ 66,943	\$ -

Source Code:

I = Indirect funding

ODYSSEY CHARTER SCHOOL, INC.  
WILMINGTON, DELAWARE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A      BASIS OF ACCOUNTING

All expenditures included in the schedule of expenditures of federal awards are presented on the basis that expenditures are reported to the respective federal grantor agencies. Accordingly, expenditures are recorded when the federal obligation is determined.

NOTE B      INDIRECT COST RATE

The School has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. For the year ended June 30, 2021, there were no indirect costs included in the schedule of expenditures of federal awards.

## **SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

ODYSSEY CHARTER SCHOOL, INC.  
WILMINGTON, DELAWARE

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

**PART A - SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of auditor's report issued [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?        Yes   X   No
- Significant deficiency(ies) identified?        Yes   X   None reported
- Noncompliance material to financial statements noted?        Yes   X   No

*Federal Awards*

Internal control over major program:

- Material weakness(es) identified?        Yes   X   No
- Significant deficiency(ies) identified?        Yes   X   None reported

Type of auditor's report issued on compliance for major programs [*unmodified, qualified, adverse, or disclaimer*]:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion</u>
<u>10.559</u>	<u>Summer Food Service Program</u>	<u>Unmodified</u>
<u>84.425C and 84.425D</u>	<u>Education Stabilization Fund</u>	<u>Unmodified</u>

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

       Yes   X   No

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

       Yes   X   No

ODYSSEY CHARTER SCHOOL, INC.  
WILMINGTON, DELAWARE

SCHEDULE OF FINDINGS AND RECOMMENDATIONS (cont'd)

**PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS**

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

**PART C - FINDINGS RELATED TO FEDERAL AWARDS**

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.