



Financial Framework Report ODYSSEY CHARTER SCHOOL

Reporting Period: July 1, 2019 to June 30, 2020

Beginning in SY16/17 for each measure, a school receives one of three ratings:

Meets Standard
Approaching Standard
Far Below Standard

In the years prior to SY16/17 a school received one of the three ratings below:

Meets Standard
Does Not Meet Standard
Far Below Standard

Rating targets for each measure can be referenced on the Organizational Section of the [Delaware Performance Framework](#). Further clarifications for each measure’s data and methodology can be referenced in the [Financial Framework Guidance Document](#). School performance on each measure is presented below.

Each measure is weighted equally with discretion of the Authorizer incorporated to determine an overall rating.

The school has elected to submit a response to one or more measures to provide context of not meeting standard(s). The statements made therein are not made by or on behalf of Delaware Department of Education.

1. NEAR TERM INDICATORS

Measure 1a. Current Ratio:

Current Assets divided by Current Liabilities

2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
1.9	2.12	1.28	2.01	1.59

The current ratio measures a school’s ability to pay its obligations over the next twelve months. The preferred result is more than 1.0, which indicates that the school’s current assets exceed its current liabilities.

School Response To Rating:(Max 1100 Characters)

Measure 1b. Days Cash:

Cash divided by (Total Expenses / 365)

2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
30	43	71	66	50

The days cash on hand ratio indicates how many days a school can pay its expenses without another inflow of cash. The preferred result is more than 60 days cash.

School Response To Rating:(Max 1100 Characters)

During the 2020 fiscal year, Odyssey Charter School invested in building upgrades, specifically at the High School to meet the expansion into 12th grade. In light of fundraising constraints, OCS had to cover these expenditures in its school operating budget. This resulted in a decrease of the cash reserve, thus affecting this and several other financial performance metrics for the year. In addition, fiscal year 2019-2020 represented the first year of a ratified collective bargaining agreement for the majority of Odyssey's staff, resulting in a material increase to personnel expenditures.

Measure 1c. Enrollment Variance:

Actual Enrollment as of September 30 divided by Authorized Enrollment

2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
103%	102%	105%	104%	101%

The enrollment variance depicts actual versus authorized enrollment. A school budgets based on projected enrollment but is funded based on actual enrollment; therefore, a school that fails to meet its enrollment targets may not be able to meet its budgeted expenses. The preferred result is more than 95%.

School Response To Rating:(Max 1100 Characters)

Measure 1d. Default, Loan Covenants, & Debt Service Payments

2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Yes	Yes	Yes	No	Yes

This metric addresses whether or not a school is meeting its loan covenants and / or is delinquent with its debt service payment, as noted in the notes accompanying the audited financial statements. A school which cannot meet the terms of its loan may be in financial distress.

DOE Rating Information :

The FY20 independent audit identified that the school has not been compliant with certain financial covenant requirements related to their outstanding bonds (Note 4).

School Response To Rating:(Max 1100 Characters)

During the 2020 fiscal year, Odyssey Charter School was not in default of its outstanding loans and was not delinquent with its debt service payment. However, Odyssey did not meet the loan covenant requirements associated with the Days Cash on Hand and Debt Service Coverage Ratio. Additional information can be found in Measure 1b and 2d responses.

2. SUSTAINABILITY INDICATORS

Measure 2a. Total Margin:

Net Income divided by Total Revenue

2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
1 YR: -5.52%	1 YR: 3.02%	1 YR: 5.67%	1 YR: 4.37%	1 YR: -1.12%
3 YR: -7.48%	3 YR: -1.36%	3 YR: 1.92%	3 YR: 4.44%	3 YR: 2.77%

Total margin measures the deficit or surplus a school yields out of its total revenues ; in other words, whether or not the school is living within its available resources. The preferred result is a positive margin for the past year and the past 3 years.

School Response To Rating:(Max 1100 Characters)

During the 2020 fiscal year, Odyssey's Total Margin metric was negatively impacted as its net income swung to a net loss. Capital expenditures flowing through the School's operating budget is identified as a primary cause for the net loss, which is also detailed in the Measure 1b response.

Measure 2b. Debt to Asset Ratio:

Total Liabilities divided by Total Assets

2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
1.03	0.97	0.94	0.92	0.93

School Response To Rating:(Max 1100 Characters)

In addition to the items mentioned in the previous responses, Odyssey monitors this metric closely on a cash basis throughout the fiscal year. Over time, the School has continued to meet investor thresholds for the cash-based Debt Service Coverage Ratio metric.

3. FINANCIAL MANAGEMENT AND OVERSIGHT

2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
M	M	M	AS	M

This measure assesses the timeliness of reporting, the implementation of the Citizen Budget Oversight Committee, and the adherence to the policies and procedures of the First State Financial Management System.

School Response To Rating:(Max 1100 Characters)

SUMMARY AND OVERALL RATING

Odyssey Charter School

Year	1a	1b	1c	1d	2a	2b	2c	2d	3	OVERALL RATING
2015-2016	M	M	M	F	F	F	M	D	M	Falls Far Below Standard
2016-2017	M	M	M	F	AS	AS	M	M	M	Meets Standard
2017-2018	M	M	M	F	M	AS	M	M	M	Meets Standard
2018-2019	M	M	M	M	M	AS	M	M	AS	Meets Standard
2019-2020	M	AS	M	F	AS	AS	F	AS	M	Approaching Standard