

4016 - Accounting Policy Memorandum

Utilities and other Building Expense Sharing

Purpose: Proper Accounting recognition for Utility Usage and Sharing

School(s): Odyssey Charter School Middle and High and Odyssey Preparatory Charter Academy

Effective date: July 1, 2013

Odyssey Charter School -Upper Campus ("OCS") and Odyssey Preparatory Charter Academy ("ODYSSEY PREP") are sharing a school facility located at 1350 Wyoming Dr. S.E., Palm Bay, FL 32909 ("Shared School Facility"). There are separate leases for OCS and for the ODYSSEY PREP ("Leases") for the Shared School Facility. The Leases provide that OCS and ODYSSEY PREP will be responsible for certain utilities and other building expenses. This Accounting Policy Memorandum sets out the manner in which such utility and other building expenses shall be apportioned, paid and accounted for by OCS and ODYSSEY PREP. Such utility and other building expenses include any expenses associated with the Shared School Facility that are not attributed individually to either OCS or ODYSSEY PREP and which are not required to be paid by the Lessor or Bondholders pursuant to the Leases. Such expenses include, but are not limited to the following:

- Security
- Telephone
- Internet
- Public Utilities to Include Water and Trash Removal
- Lawn Service
- Custodial Service
- Pest Control
- Landscaping
- Electricity

OCS will pay for such utility and other expenses, and ODYSSEY PREP shall reimburse OCS based on the proportion of ODYSSEY PREP students to the total number of OCS and ODYSSEY PREP students at the Shared School Facility. As such, the following journal entries illustrate the proper recognition (policy) of these utilities and other building expenses:

BOOKS OF OCS

ODYSSEY PREP shall recognize a utility and other building expense based on student allocations of ODYSSEY PREP (to be provided) as set forth above. Such amounts are due and payable to OCS. The following entry shows the recognition for OCS when such charge is posted on books of ODYSSEYPREP:

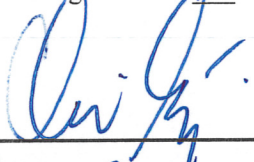
| | | |
|---|---|---|
| 1XXX Due from ODYSSEY PREP | X | |
| 3XXX Other – Local Revenues | | X |
| <i>To record the receipt of Local fees to be collected for utilities and other shared building expenses (with ODYSSEY PREP)</i> | | |

BOOKS OF ODYSSEY PREP

ODYSSEY PREP shall recognize an expense for utilities and other building expenses based on student allocations of ODYSSEY PREP (to be provided). Such amounts are due and payable to OCS. The following entry shows the recognition of such expenses:

| | | |
|---|---|---|
| 7900-XXX Utility and other building expense | X | |
| 2XXX Due to Odyssey Charter School | | X |
| <i>To record the receipt of FEFP – Utility and other building expense</i> | | |

The forgoing Accounting Policy Memorandum pertaining to Utilities and Other Building Expenses was approved by a majority of a quorum of the Governing Board of Odyssey Charter School, Inc., at a meeting held this 16th day of July, 2013.



CHRIS GLATZ, President