Thurgood Marshall Academy

Financial Report
June 30, 2017

Contents

Independent Auditor's Report

To the Board of Trustees
Thurgood Marshall Academy

Report on the Financial Statements
We have audited the accompanying financial statements of Thurgood Marshall Academy (the Academy), which comprise the balance sheets as of June 30, 2017 and 2016, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

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

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thurgood Marshall Academy as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our reports, dated November 1, 2017, and October 28, 2016, on our consideration of the Academy'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 those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.

RSM US LLP

Washington, D.C.
November 1, 2017

Thurgood Marshall Academy

Balance Sheets
June 30, 2017 and 2016

	2017	2016
Assets		
Current assets:		
Cash	**$ 4,363,696**	$ 3,915,791
Grants receivable	**454,435**	347,504
Prepaid expenses	**70,424**	74,760
Total current assets	**4,888,555**	4,338,055
Property and equipment, net (Note 2)	**11,120,750**	11,536,265
	$ 16,009,305	$ 15,874,320
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	**$ 191,627**	$ 192,194
Loan payable, current portion (Note 3)	**121,307**	115,506
Accrued salaries and benefits	**293,333**	293,623
Deferred contract revenue – tuition	**2,001**	-
Total current liabilities	**608,268**	601,323
Long-term debt:		
Loan payable, long-term portion, net of issuance costs (Note 3)	**792,018**	893,664
Interest rate swap agreement (Note 4)	**26,086**	81,057
	818,104	974,721
	1,426,372	1,576,044
Commitments and contingencies (Note 6)		
Net assets:		
Unrestricted	**14,492,076**	14,196,593
Temporarily restricted (Note 5)	**90,857**	101,683
	14,582,933	14,298,276
	$ 16,009,305	$ 15,874,320

See notes to financial statements.

Thurgood Marshall Academy

Statements of Activities
Years Ended June 30, 2017 and 2016

	2017			2016		
	Unrestricted	**Temporarily Restricted**	**Total**	Unrestricted	Temporarily Restricted	Total
Support and revenue:						
Tuition – per-pupil funding allocation (Note 7)	**$ 7,141,756**	**$ -**	**$ 7,141,756**	$ 6,895,771	$ -	$ 6,895,771
Federal entitlements	**1,009,358**	**-**	**1,009,358**	749,378	-	749,378
Free and reduced lunch program	**72,624**	**-**	**72,624**	69,155	-	69,155
Grants, donations and other fundraising activities	**907,535**	**296,628**	**1,204,163**	927,079	57,092	984,171
Other revenue	**50,787**	**-**	**50,787**	100,997	-	100,997
Net assets released from restrictions	**307,454**	**(307,454)**	**-**	45,511	(45,511)	-
Total support and revenue	**9,489,514**	**(10,826)**	**9,478,688**	8,787,891	11,581	8,799,472
Expenses:						
Program services:						
Education:						
Instructional	**7,205,983**	**-**	**7,205,983**	6,588,808	-	6,588,808
Support services:				-	-	
Occupancy costs	**714,860**	**-**	**714,860**	706,360	-	706,360
Depreciation expense	**519,854**	**-**	**519,854**	495,378	-	495,378
Debt service cost	**18,174**	**-**	**18,174**	108,736	-	108,736
	8,458,871	**-**	**8,458,871**	7,899,282	-	7,899,282
Management and general:						
General and administrative	**312,034**	**-**	**312,034**	317,803	-	317,803
Fundraising	**423,126**	**-**	**423,126**	477,430	-	477,430
	735,160	**-**	**735,160**	795,233	-	795,233
Total expenses	**9,194,031**	**-**	**9,194,031**	8,694,515	-	8,694,515
Change in net assets	**295,483**	**(10,826)**	**284,657**	93,376	11,581	104,957
Net assets:						
Beginning	**14,196,593**	**101,683**	**14,298,276**	14,103,217	90,102	14,193,319
Ending	**$ 14,492,076**	**$ 90,857**	**$ 14,582,933**	$ 14,196,593	$ 101,683	$ 14,298,276

See notes to financial statements.

Thurgood Marshall Academy

Statements of Cash Flows
Years Ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Change in net assets	**$ 284,657**	$ 104,957
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**553,437**	534,850
Amortization of loan issuance costs	**19,661**	19,662
(Gain) loss on interest rate swap	**(54,971)**	36,549
Changes in assets and liabilities:		
(Increase) decrease in:		
Grants receivable	**(106,931)**	(51,734)
Prepaid expenses	**4,336**	34,350
Increase (decrease) in:		
Accounts payable and accrued expenses	**(567)**	(306)
Accrued salaries and benefits	**(290)**	(5,507)
Deferred contract revenue – tuition	**2,001**	-
Net cash provided by operating activities	**701,333**	672,821
Cash flows from investing activities:		
Purchases of property and equipment	**(137,922)**	(175,287)
Net cash used in investing activities	**(137,922)**	(175,287)
Cash flows from financing activities:		
Principal payments on loan payable	**(115,506)**	(109,984)
Net cash used in financing activities	**(115,506)**	(109,984)
Net increase in cash	**447,905**	387,550
Cash:		
Beginning	**3,915,791**	3,528,241
Ending	**$ 4,363,696**	$ 3,915,791
Supplemental disclosure of cash flow information:		
Cash payments for interest	**$ 54,659**	$ 60,444

See notes to financial statements.

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Thurgood Marshall Academy d/b/a Thurgood Marshall Academy Public Charter High School (TMA or the Academy) is a not-for-profit entity incorporated on May 24, 2000, under the laws of the District of Columbia. TMA is a District of Columbia public charter school for grades 9 through 12.

A summary of significant accounting policies follows:

Basis of accounting: The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby unconditional support is recognized when received, revenue is recognized when earned and expenses are recognized when incurred.

Basis of presentation: The financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) Account Standards Codification (the Codification). As required by the Not-for-Profit Entities Topic of the Codification, the Academy is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Academy had no permanently restricted net assets at June 30, 2017 and 2016.

Charter school agreement: TMA has been approved by the District of Columbia Public Charter School Board to operate a charter school in the District of Columbia. The current contract, renewed on January 27, 2016, provides for a 15-year charter.

Financial risk: The Academy maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Academy has not experienced any losses in such accounts. The Academy believes it is not exposed to any significant financial risk on cash.

Receivables: Receivables are carried at original invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and using the historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. No allowance was deemed necessary for receivables at June 30, 2017 and 2016.

Property and equipment: Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Donations are reported as unrestricted support, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Academy reports expirations of donor temporary restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Academy reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Depreciation is computed using primarily the straight-line method over the estimated useful life of the related asset, ranging from 3 to 40 years. Normal repairs and maintenance are expensed as incurred. The Academy capitalizes all property and equipment purchased with a cost of $1,000 or more.

Valuation of long-lived assets: The Academy reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Loan issuance costs: Loan issuance costs are amortized on the straight-line method over the term of the related loan payable and are presented as a reduction of loan payable. Amortization expense amounted to $19,661 and $19,662 for the years ended June 30, 2017 and 2016, respectively.

Net assets: Unrestricted net assets are the net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Temporarily restricted net assets result from contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Academy pursuant to these stipulations. Temporarily restricted net assets are reported as unrestricted net assets if the restrictions are met in the same period received. Net assets may be temporarily restricted for various purposes, such as use in future periods or use for specified purposes.

Temporarily restricted net assets were released from restrictions during the years ended June 30, 2017 and 2016, for various purposes, including after-school programs, college guidance, support for alumni in college, library materials, physical education and general operations. At June 30, 2017 and 2016, temporarily restricted net assets represented amounts restricted for specific education-related expenses.

Per-pupil funding allocation: TMA receives a student allocation from the District of Columbia to cover the cost of academic and facilities expenses. Per-pupil allocation revenue is recognized in the period when it is earned, which is the school year for which the allocation is made.

Grants: The Academy receives grants from federal agencies and private grantors for various purposes. The grants provide for the development and support of TMA's programs, materials and equipment. The Academy has accounted for the funds based on the fiscal year of the grants. Receivables related to grant awards (for conditional awards and exchange transactions) are recorded to the extent unreimbursed expenses have been incurred for the purposes specified by an approved grant or award. Funds received in advance of qualifying expenses at June 30 are reflected as refundable advances or deferred contract revenue in the liability section of the balance sheets.

Recognition of salary expense: Salary expense is recognized in the year the service is rendered, which coincides with an academic year. Salaries unpaid at June 30 are recognized as expense and accrued.

Tax status: TMA is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and is not considered to be a private foundation. TMA is exempt from federal taxes on income other than unrelated business income. TMA did not have any net unrelated business income for the years ended June 30, 2017 or 2016. Exemption from District of Columbia income taxes was granted to TMA effective October 17, 2002. TMA is also exempt from District of Columbia's sales, real estate and personal property taxes.

The Academy follows the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Academy may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes and accounting in interim periods.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Management evaluated the Academy's tax positions and concluded that the Academy has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Generally, the Academy is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2014.

Donated assets and services: Donated services are recognized as contributions in accordance with the Not-for-Profit Entities Topic of the Codification if the services: (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Academy. Volunteers have provided tutoring and fundraising services throughout the year that are not recognized as contributions in the financial statements, since the recognition criteria under this topic was not met.

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair value at the date of donation.

Use of estimates: The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The Academy regularly assesses these estimates, and while actual results could differ, management believes that the estimates are reasonable.

Functional allocation of expenses: The costs of providing the Academy's various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs, fundraising and supporting services benefited.

Subsequent events: Subsequent events have been evaluated through November 1, 2017, which is the date the financial statements were available to be issued.

Recent accounting pronouncements: In August 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities.* The amendments in this ASU make improvements to the information provided in financial statements and accompanying notes of not-for profit entities. The amendments set forth the FASB's improvements to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance and cash flows. The ASU will be effective for fiscal years beginning after December 15, 2017. Earlier application is permitted. The changes in this ASU should generally be applied on a retrospective basis in the year that the ASU is first applied. Management has not evaluated the impact of this ASU on its financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in generally accepted accounting principles (GAAP) in the United States of America when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Early adoption is permitted. The updated standard will be effective for annual reporting periods beginning after December 15, 2018. Management has not yet selected a transition method and is currently evaluating the effect that the ASU will have on its financial statements.

Note 2. Property and Equipment

Property and equipment consist of the following at June 30, 2017 and 2016:

	2017	2016
Asset category:		
Land	$ 182,000	$ 182,000
Buildings and improvements	15,117,497	15,044,192
Computers and software	1,124,116	1,079,228
Office furniture and equipment	907,752	888,023
	17,331,365	17,193,443
Less accumulated depreciation	(6,210,615)	(5,657,178)
	$ 11,120,750	$ 11,536,265

Depreciation expense was $553,436 and $534,850 for the years ended June 30, 2017 and 2016, respectively.

In December 2004, the Academy purchased from the District of Columbia the property then known as the Nichols Avenue School, located at the corner of Howard Road and Martin Luther King, Jr. Avenue in Southeast D.C. The Academy's development of the property as its facility proceeded in two phases. In Phase 1, the Academy renovated and expanded the building as its instructional facility, while also conducting site work on the grounds and on the grounds of the adjacent A. Kiger Savoy Elementary School. In Phase 2, the Academy collaborated with Savoy and District of Columbia officials to renovate the Savoy building and construct an athletic center for use by both schools, as governed by a Use Agreement executed in June 2009 (the Academy invested $1,785,737 in the project and received a $1.5 million D.C. Council appropriation for it).

Note 3. Loan Payable

In March 2014, TMA entered into a term loan with SunTrust Bank totaling $1,400,000 to finance general operations. The loan has a variable interest rate equal to the 30-day London Interbank Offered Rate (LIBOR) plus 2.45%. The outstanding balance is payable in full in September 2024. At June 30, 2017, the interest rate on the loan was 3.68%. Simultaneously, with the closing of the loan, the Academy entered into a 10.5-year interest rate swap agreement to fix the interest rate at 4.91% (see Note 4). The total interest expense including amortization of loan issuance costs was $74,322 and $80,106 for the years ended June 30, 2017 and 2016, respectively.

Essentially all of the Academy's assets serve as collateral for the note. In connection with the loan, the School has agreed, among other things, to maintain a minimum liquidity balance and a minimum debt service coverage ratio.

Note 3. Loan Payable (Continued)

Aggregate maturities of the long-term debt at June 30, 2017, are due in future years as follows:

Years ending June 30:	
2018	$ 121,307
2019	127,399
2020	133,797
2021	140,517
2022	147,573
Thereafter	373,805
	1,044,398
Less unamortized loan costs, net of accumulated amortization	131,073
	$ 913,325

Note 4. Interest Rate Swap Agreement

In March 2014, the Academy entered into an interest rate swap agreement with SunTrust Bank for a notional amount equal to the obligation under the loan payable, whereby, the floating rate was swapped into a fixed rate. The agreement calls for a fixed rate of 4.91% through the termination date of the swap, which is September 7, 2024. The swap mechanism is intended to allow the Academy to realize the potential benefit of a lower fixed rate. As of June 30, 2017 and 2016, the fair value of the swap agreement was a liability of $26,086 and $81,057, respectively, which is recognized on the respective balance sheets.

Note 5. Temporarily Restricted Net Assets

Changes in temporarily restricted net assets by purpose during the years ended June 30, 2017, were as follows:

	Balance June 30, 2016	Additions	Released From Restriction	Balance June 30, 2017
Purpose restricted:				
After-school programs	$ -	$ 10,000	$ 9,193	$ 807
New schools venture fund	50,000	150,000	200,000	-
Alumni Fund	21,984	10,000	7,828	24,156
Scholarship funds	10,350	-	-	10,350
College prep and alumni expenses	1,092	-	-	1,092
Robotics programs	1,500	-	-	1,500
College board innovation	2,623	-	-	2,623
Advancing student math program	1,460	-	39	1,421
Computers for Programs Department	2,000	-	1,999	1
Clubs and athletics activities	1,572	-	-	1,572
Books and communications materials for college prep	3,000	-	3,000	-
Philip Graham Fund	-	50,000	49,513	487
Klingenstein Family Fund	-	10,000	3,800	6,200
DC CAH grant	927	-	-	927
DC Greens	3,313	-	-	3,313
Whole Kids Foundation	1,862	-	527	1,335
Improving Family Engagement	-	12,550	11,337	1,213
Summer Strong program	-	36,268	2,408	33,860
Schools Technology Fund	-	17,810	17,810	-
	$ 101,683	$ 296,628	$ 307,454	$ 90,857

Note 5. Temporarily Restricted Net Assets (Continued)

Changes in temporarily restricted net assets by purpose during the year ended June 30, 2016, were as follows:

	Balance June 30, 2015	Additions	Released From Restriction	Balance June 30, 2016
Purpose restricted:				
After-school programs	$ 38,712	$ -	$ 38,712	$ -
New schools venture fund	-	50,000	-	50,000
Alumni Fund	26,175	-	4,191	21,984
Scholarship funds	9,350	1,000	-	10,350
Text books for Social Studies	590	-	590	-
College prep and alumni expenses	-	1,092	-	1,092
Robotics programs	1,500	-	-	1,500
College board innovation	2,623	-	-	2,623
Advancing student math program	1,460	-	-	1,460
Computers for Programs Department	-	2,000	-	2,000
Clubs and athletics activities	1,572	-	-	1,572
Books and communications materials for college prep	-	3,000	-	3,000
Debate club camera	31	-	31	-
Music programs	500	-	500	-
DC CAH grant	927	-	-	927
Corina Higgins Trust	1,349	-	1,349	-
DC Greens	3,313	-	-	3,313
Whole Kids Foundation	2,000	-	138	1,862
	$ 90,102	$ 57,092	$ 45,511	$ 101,683

Note 6. Contingencies

The Academy participates in federally-assisted grant programs, which are subject to financial and compliance audits by the grantors or their representative. As such, there exists a contingent liability for potential questioned costs that may result from such audits. Management does not anticipate any significant adjustments as a result of such audits.

Note 7. Per-Pupil Allocation

The Academy's per-pupil allocation for the years ended June 30, 2017 and 2016, is as follows:

	2017	2016
Category:		
General education	$ 5,066,510	$ 4,947,250
Summer and special education	863,134	696,327
Facility allowance	1,212,112	1,252,194
	$ 7,141,756	$ 6,895,771

Note 8. Non-Cash Contributions

For the years ended June 30, 2017 and 2016, non-cash professional fees, supplies and service contributions with a fair value of $658,023 and $477,629, respectively, were received.

Note 9. Retirement Plan

Effective June 1, 2004, the Academy adopted a 403(b) plan (the Plan), which provides for employee and employer contributions for substantially all full-time employees. Employer contributions to the Plan are based on a percentage of eligible wages for the Plan year, as determined by management. The Academy's contribution to the Plan was $108,476 and $108,787 for the years ended June 30, 2017 and 2016, respectively.

RSM US LLP

Independent Auditor's Report on the Supplementary Information

To the Board of Trustees
Thurgood Marshall Academy

We have audited the financial statements of Thurgood Marshall Academy as of and for the years ended June 30, 2017 and 2016, and have issued our report thereon, dated November 1, 2017, which contains an unmodified opinion on those financial statements. See pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole.

The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Washington, D.C.
November 1, 2017

Thurgood Marshall Academy

Schedule of Functional Expenses
Year Ended June 30, 2017

	Education	General and Administrative	Fundraising	Total
Personnel salaries and benefits:				
Principal/executive salaries	$ 344,721	$ 69,507	$ 41,936	$ 456,164
Teachers' salaries	3,120,469	-	-	3,120,469
Other educational professional salaries	998,625	-	-	998,625
Other staff salaries	160,720	-	191,687	352,407
Staff program stipends	67,230	-	-	67,230
Employee benefits	485,810	7,197	24,191	517,198
Payroll taxes	338,313	5,012	16,846	360,171
Staff development costs	47,660	706	2,373	50,739
Other staff related expenses	60,398	895	3,007	64,300
Total personnel salaries and benefits	5,623,946	83,317	280,040	5,987,303
Direct student costs:				
Food service	132,196	-	-	132,196
Textbooks and subscriptions	5,041	-	-	5,041
Student supplies and materials	101,616	-	-	101,616
Student assessment materials	5,782	-	-	5,782
Student travel and field trips	112,795	-	-	112,795
Library and media materials	19,729	-	-	19,729
Miscellaneous direct student costs	58,676	-	-	58,676
Total direct student costs	435,835	-	-	435,835
Occupancy costs:				
Maintenance, repairs and supplies	30,501	452	1,519	32,472
Utilities	219,827	3,257	10,946	234,030
Equipment rental and maintenance	46,669	691	2,324	49,684
Contracted building services	417,863	6,191	20,807	444,861
Total occupancy costs	714,860	10,591	35,596	761,047
Depreciation expense	519,854	7,697	25,886	553,437

(Continued)

Thurgood Marshall Academy

Schedule of Functional Expenses (Continued)
Year Ended June 30, 2017

	Education	General and Administrative	Fundraising	Total
Debt service costs:				
Interest expense	$ 51,342	$ 761	$ 2,557	$ 54,660
Gain on swap agreement	(51,636)	(764)	(2,571)	(54,971)
Loan cost amortization	18,468	274	920	19,662
Total debt service costs	18,174	271	906	19,351
Management and general:				
Office supplies and materials	42,239	626	2,103	44,968
Telephone/telecommunications	41,496	615	2,066	44,177
Professional fees	-	204,229	-	204,229
Printing and copying	31,732	470	1,580	33,782
Postage and shipping	8,779	130	437	9,346
Insurance	34,439	510	1,715	36,664
Other professional fees	8,183	121	408	8,712
Other fundraising costs	-	-	58,002	58,002
Administrative fees	93,564	-	-	93,564
Dues	22,516	334	1,121	23,971
Computer consulting	129,014	1,911	6,424	137,349
Other general expenses	81,596	1,212	4,063	86,871
In-kind expense	652,644	-	2,779	655,423
Total management and general	1,146,202	210,158	80,698	1,437,058
Total expenses	$ 8,458,871	$ 312,034	$ 423,126	$ 9,194,031