

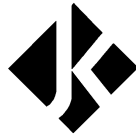


**REPORT ON AUDITS OF  
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
JUNE 30, 2016 AND 2015**

**COMMUNITIES IN SCHOOLS OF ATLANTA, INC.**  
**INDEX TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

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**Jones and Kolb  
Certified Public Accountants  
Atlanta, Georgia**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Communities In Schools of Atlanta, Inc.  
Atlanta, Georgia

We have audited the accompanying financial statements of Communities In Schools of Atlanta, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and net assets, functional expenses 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. 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 Communities In Schools of Atlanta, Inc. as of June 30, 2016 and 2015, 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.

*Jones and Kolb*

January 13, 2017

**COMMUNITIES IN SCHOOLS OF ATLANTA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2016 AND 2015**

**ASSETS**

	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 449,999	\$ 151,252
Grants and contracts receivables	116,181	61,133
Promises to give	10,500	40,750
Prepaid expenses and other assets	56,330	21,970
Investments	2,256,602	2,271,361
Property and equipment, net	66,438	60,966
	<b><u>\$ 2,956,050</u></b>	<b><u>\$ 2,607,432</u></b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Accounts payable	\$ 69,286	\$ 60,261
Accrued expenses	295,202	142,762
	<b><u>364,488</u></b>	<b><u>203,023</u></b>
<b>NET ASSETS</b>		
Unrestricted	2,531,737	2,315,759
Temporarily restricted	59,825	88,650
	<b><u>2,591,562</u></b>	<b><u>2,404,409</u></b>
	<b><u>\$ 2,956,050</u></b>	<b><u>\$ 2,607,432</u></b>

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

**COMMUNITIES IN SCHOOLS OF ATLANTA, INC.**  
**STATEMENT OF ACTIVITIES AND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>			
Government funding	\$ 2,309,040	\$ 28,000	\$ 2,337,040
Contributions	236,206	864,252	1,100,458
Special event, net of \$101,694 of direct costs	264,118	-	264,118
Realized and unrealized losses on investments	(46,806)	-	(46,806)
Interest and dividend income	52,143	-	52,143
Other income	1,320	-	1,320
	<u>2,816,021</u>	<u>892,252</u>	<u>3,708,273</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>921,077</u>	<u>(921,077)</u>	<u>-</u>
<b>EXPENSES</b>			
Program	2,764,610	-	2,764,610
Management and general	569,135	-	569,135
Fundraising	187,375	-	187,375
	<u>3,521,120</u>	<u>-</u>	<u>3,521,120</u>
<b>CHANGE IN NET ASSETS</b>	215,978	(28,825)	187,153
<b>NET ASSETS, Beginning of year</b>	<u>2,315,759</u>	<u>88,650</u>	<u>2,404,409</u>
<b>NET ASSETS, End of year</b>	<u>\$ 2,531,737</u>	<u>\$ 59,825</u>	<u>\$ 2,591,562</u>

The accompanying notes to financial statements  
are an integral part of this statement.

**COMMUNITIES IN SCHOOLS OF ATLANTA, INC.**  
**STATEMENT OF ACTIVITIES AND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>			
Government funding	\$ 345,182	\$ 21,000	\$ 366,182
Contributions	561,378	598,980	1,160,358
Special event, net of \$47,408 of direct costs	31,507	-	31,507
Realized and unrealized losses on investments	(55,387)	-	(55,387)
Interest and dividend income	78,335	-	78,335
Other income	165	-	165
	<u>961,180</u>	<u>619,980</u>	<u>1,581,160</u>
Total revenues and other support			
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>623,703</u>	<u>(623,703)</u>	<u>-</u>
<b>EXPENSES</b>			
Program	1,617,194	-	1,617,194
Management and general	506,733	-	506,733
Fundraising	129,755	-	129,755
	<u>2,253,682</u>	<u>-</u>	<u>2,253,682</u>
Total expenses			
<b>CHANGE IN NET ASSETS</b>	(668,799)	(3,723)	(672,522)
<b>NET ASSETS, Beginning of year</b>	<u>2,984,558</u>	<u>92,373</u>	<u>3,076,931</u>
<b>NET ASSETS, End of year</b>	<u>\$ 2,315,759</u>	<u>\$ 88,650</u>	<u>\$ 2,404,409</u>

The accompanying notes to financial statements  
are an integral part of this statement.

**COMMUNITIES IN SCHOOLS OF ATLANTA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Direct Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	<u>Total</u>
Salaries	\$ 1,717,752	\$ 271,373	\$ 125,261	\$ 396,634	\$ 2,114,386
Taxes and benefits	557,596	116,397	49,971	166,368	723,964
Professional fees	54,518	107,870	2,749	110,619	165,137
Rent	78,512	14,791	1,233	16,024	94,536
School activities	93,436	-	-	-	93,436
Assistance to individuals	74,892	2,410	-	2,410	77,302
Office expenses	48,698	14,658	1,222	15,880	64,578
Depreciation	27,386	5,159	-	5,159	32,545
Other expenses	17,625	5,699	5,683	11,382	29,007
Staff development and conferences	26,244	2,400	200	2,600	28,844
Travel	26,028	1,804	150	1,954	27,982
Advertising/branding	3,620	17,754	-	17,754	21,374
Insurance	17,278	3,255	271	3,526	20,804
Events/meetings	21,025	2,853	635	3,488	24,513
Interest expense	-	2,712	-	2,712	2,712
<b>Total</b>	<b>\$ 2,764,610</b>	<b>\$ 569,135</b>	<b>\$ 187,375</b>	<b>\$ 756,510</b>	<b>\$ 3,521,120</b>

The accompanying notes to financial statements  
are an integral part of this statement.

**COMMUNITIES IN SCHOOLS OF ATLANTA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Direct Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries	\$ 897,054	\$ 220,624	\$ 108,706	\$ 329,330	\$ 1,226,384
Taxes and benefits	314,875	115,188	11,340	126,528	441,403
Rent	122,855	41,102	3,737	44,839	167,694
Professional fees	30,834	97,315	786	98,101	128,935
Assistance to individuals	70,547	-	-	-	70,547
School activities	67,525	-	-	-	67,525
Office expenses	29,963	11,376	1,034	12,410	42,373
Depreciation	25,582	3,923	-	3,923	29,505
Other expenses	12,860	6,154	2,637	8,791	21,651
Insurance	13,428	4,294	390	4,684	18,112
Travel	14,025	2,332	209	2,541	16,566
Staff development and conferences	10,957	2,446	369	2,815	13,772
Events/meetings	6,689	1,979	547	2,526	9,215
<b>Total</b>	<b>\$ 1,617,194</b>	<b>\$ 506,733</b>	<b>\$ 129,755</b>	<b>\$ 636,488</b>	<b>\$ 2,253,682</b>

The accompanying notes to financial statements  
are an integral part of this statement.



**COMMUNITIES IN SCHOOLS OF ATLANTA, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 187,153	\$ (672,522)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Depreciation	32,545	29,505
Loss on disposal of property and equipment	-	335
Realized and unrealized loss on investments	46,806	55,387
Changes in:		
Grants and contracts receivables	(55,048)	89,447
Promises to give	30,250	(40,750)
Prepaid expenses and other assets	(34,360)	8,047
Accounts payable and accrued expenses	161,465	40,764
Total adjustments	181,658	182,735
Net cash and cash equivalents provided by (used in) operating activities	368,811	(489,787)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(38,017)	(37,345)
Purchases of investments	(1,700,203)	(124,313)
Proceeds from sale of investments	1,668,156	623,198
Net cash and cash equivalents provided by (used in) investing activities	(70,064)	461,540
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	298,747	(28,247)
<b>CASH AND CASH EQUIVALENTS, Beginning of year</b>	151,252	179,499
<b>CASH AND CASH EQUIVALENTS, End of year</b>	\$ 449,999	\$ 151,252
<b>SUPPLEMENTAL CASH FLOW DISCLOSURE</b>		
Interest paid	\$ 2,712	\$ -

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

**COMMUNITIES IN SCHOOLS OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Communities In Schools of Atlanta, Inc. (the "Organization") is a Georgia nonprofit organization located in Atlanta, Georgia that was established in 1971 within the meaning of Section 501(c)(3) of the Internal Revenue Code. The mission of Communities In Schools of Atlanta, Inc. is to surround young people with a community of support, empowering them to stay in school and achieve in life. The Organization is part of the largest and most effective research-based dropout prevention organization in the nation. The Organization places trained staff in schools who build relationships with struggling students and their families. They help identify the non-instructional obstacles that are preventing children from succeeding in school, and then connect students and their families to resources and services already available in the community. When the needs of students are met, they can concentrate on learning, and teachers are free to teach. The Organization offers services to Atlanta Public Schools, the Clayton County School District, the DeKalb County School District and the Fulton County School District.

B. The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

C. Net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that are required to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. As of June 30, 2016 and 2015, the Organization had no permanently restricted net assets.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed stipulations. Expenses are recorded as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated passage of time has elapsed) are reported as net assets released from restrictions.

**COMMUNITIES IN SCHOOLS OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

D. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. The Organization considers all short-term, interest-bearing deposits external of the investment accounts with maturities of three months or less to be cash equivalents.

F. Grants and contracts receivables represents fees that have been billed but not collected as of the date of the accompanying financial statements. A provision for doubtful accounts is made to maintain adequate reserves to cover anticipated losses based upon management's evaluation of the collectability of grants and contracts receivables. At June 30, 2016 and 2015, the Organization considers all grants and contracts receivables fully collectible. Therefore, no allowance for doubtful accounts is recorded in the accompanying financial statements.

G. Promises to give to be received in one year or less are reported at net realizable value. Contributions to be received after one year, net of an allowance for uncollectible amounts, are initially reported at fair value, estimated by discounting them to their present value at a risk-adjusted rate. Thereafter, amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible promises to give is provided based upon management's judgment, considering such factors as prior collection history, type of contribution, relationship with donor and other relevant factors. At June 30, 2016 and 2015, the Organization considers all promises to give fully collectible. Therefore, no allowance for uncollectible amounts is recorded in the accompanying financial statements.

H. Investments are reported at fair value.

I. The Organization capitalizes property and equipment in excess of \$500. Purchased property and equipment is recorded at cost. Donated items are recorded at fair market value at the time of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Property and equipment have estimated useful lives ranging from three to eight years. Depreciation expense was \$32,545 and \$29,505 for the years ended June 30, 2016 and 2015, respectively.

J. Various individuals, corporations and foundations donate materials and services to the Organization for use in its programs and are recorded at the estimated fair market value at the date of donation. For the years ended June 30, 2016 and 2015, contributed materials of \$51,182 and \$52,596, respectively, have been included in contributions the accompanying Statements of Activities and Net Assets.

**COMMUNITIES IN SCHOOLS OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

Contributed services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. For the years ended June 30, 2016 and 2015, contributed services of \$39,407 and \$42,590, respectively, have been included in contributions and expenses the accompanying Statements of Activities and Net Assets

K. The costs of providing the various programs and other activities are summarized on a functional basis in the statements of activities and net assets and the statements of functional expenses. Accordingly, certain costs have been allocated among the various programs and supporting services benefited.

L. Subsequent events have been evaluated by management through January 13, 2017, the date these financial statements were available to be issued.

**2. FAIR VALUE**

Accounting principles generally accepted in the United States of America establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Level 1 within the hierarchy states that valuations are based on unadjusted quoted market prices for identical assets or liabilities in active markets. Level 2 within the hierarchy states that valuations are based on quoted prices for similar assets in active markets, quoted priced for identical assets in inactive markets or other observable inputs other than quoted market prices. Level 3 within the hierarchy states that valuations are derived from valuation techniques in which one or more significant inputs are unobservable. At June 30, 2016 and 2015, the only assets or liabilities that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investments.

Following is valuation methodology descriptions used for assets measured at fair value:

*Common stocks and exchange-traded funds ("ETFs"):* Valued at the closing price reported on the active market on which the individual securities are traded.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

*Certificate of deposit:* Does not meet the definition of a debt security as it is not traded on a market or exchange; therefore it is not subject to fair value leveling and is reported at cost.

**COMMUNITIES IN SCHOOLS OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

*Corporate bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

*U.S. government securities:* Valued using pricing models maximizing the use of observable inputs for similar securities.

*Foreign bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2016:

	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Common stock and ETFs	\$ 1,324,818	\$ -	\$ 1,324,818
Mutual funds	229,101	-	229,101
Corporate bonds	-	298,395	298,395
U.S. government securities	-	246,602	246,602
Cash and money markets	145,613	-	145,613
Foreign bonds	-	12,073	12,073
Total Investments	<u>\$ 1,699,532</u>	<u>\$ 557,070</u>	<u>\$ 2,256,602</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2015:

	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Common stock and ETFs	\$ 1,445,828	\$ -	\$ 1,445,828
Mutual funds	467,350	-	467,350
Corporate bonds	-	172,535	172,535
U.S. government securities	-	126,657	126,657
Cash and money markets	50,989	-	50,989
Foreign bonds	-	8,002	8,002
Total Investments	<u>\$ 1,964,167</u>	<u>\$ 307,194</u>	<u>\$ 2,271,361</u>

**COMMUNITIES IN SCHOOLS OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

**3. PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at June 30:

	<b>2016</b>	<b>2015</b>
Computers and software	\$ 288,263	\$ 250,374
Furniture, fixtures and equipment	211,104	211,104
Vehicles	69,041	69,041
Improvements	25,519	25,519
 Total	 593,927	 556,038
Less accumulated depreciation	(527,489)	(495,072)
 Total property and equipment, net	 \$ 66,438	 \$ 60,966

**4. LINE OF CREDIT**

In November 2015, the Organization entered into a line of credit agreement with a financial institution that holds a portion of the Organization's investments. The agreement allows for borrowings based on a percentage of the eligible securities maintained in the investment account that serves as collateral. Interest is charged monthly at the lender's calculated base rate with an additional rate above or below the base rate depending on the amount of assets held under management of the institution. As of June 30, 2016, there was no outstanding balance on the line of credit.

In March 2016, the Organization entered into a \$500,000 line of credit agreement with a financial institution. Interest is charged on the outstanding balance at a rate of 3.012 percentage points over LIBOR. The agreement matures on March 25, 2018 and requires monthly interest payments on the outstanding principal balance. As of June 30, 2016, there was no outstanding balance on the line of credit.

**COMMUNITIES IN SCHOOLS OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

**5. RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes at June 30:

	2016	2015
Miscellaneous program services	\$ 56,692	\$ 72,544
Emergency funds	1,071	12,687
Scholarships	2,062	3,419
Total	\$ 59,825	\$ 88,650

Temporarily restricted net assets totaling \$921,077 and \$623,703 were released during the years ended June 30, 2016 and 2015, respectively, primarily for miscellaneous program services.

**6. CONCENTRATIONS**

During the year ended June 30, 2016, the Organization received contributions from two donors representing approximately 40% of total contributions. During the year ended June 30, 2015, the Organization received contributions from one donor representing approximately 16% of total contributions.

At June 30, 2016, one donor represented approximately 95% of promises to give. At June 30, 2015, two donors represented approximately 98% of promises to give.

During the year ended June 30, 2016, the Organization received funding from one government agency representing approximately 78% of total government funding. During the year ended June 30, 2015, the Organization received funding from three government agencies representing approximately 84% of total government funding.

At June 30, 2016, two government agencies represented approximately 84% of grants and contracts receivable. At June 30, 2015, three government agencies represented approximately 84% of grants and contracts receivable.

**7. RELATED PARTY TRANSACTIONS**

During the years ended June 30, 2016 and 2015, the Organization received grants of \$38,000 and \$147,111, respectively, from Communities In Schools of Georgia, a nonprofit organization which supports the work of the local Communities In Schools affiliates in the state of Georgia. During the years ended June 30, 2016 and 2015, the Organization received grants of

**COMMUNITIES IN SCHOOLS OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

\$279,350 and \$71,240, respectively, from Communities In Schools, the national affiliate. At June 30, 2016 and 2015, the Organization's grants and contracts receivables included \$14,400 and \$28,800, respectively, due from these related parties.

**8. RETIREMENT PLAN**

The Organization provides an employee benefit retirement plan established pursuant to Section 403(b) of the Internal Revenue Code. An employee is eligible to join the Plan immediately upon employment and elect to voluntarily contribute up to the maximum allowed in accordance with Section 403(b) of the Internal Revenue Code. Participants are immediately vested in any elected deferrals and in the earnings on those deferrals. The Organization may also elect to make additional matching or non-elective contributions to the Plan on behalf of all eligible employees. Employees are eligible to receive the employer contributions after one year of service. All benefits payable under the Plan are to be provided from tax sheltered annuities which are not assets of the Organization. Employer contributions to the Plan were \$37,774 and \$36,016 for the years ended June 30, 2016 and 2015, respectively.

**9. COMMITMENTS**

The Organization has entered into operating leases for office space expiring at various dates through the year ended June 30, 2025. Total rent expense under these leases was \$94,536 and \$167,694 for the years ended June 30, 2016 and 2015, respectively. The future minimum lease payments under these non-cancelable operating leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 73,516
2018	82,091
2019	81,064
2020	80,838
2021	82,855
Thereafter	<u>288,172</u>
Total	<u>\$ 688,536</u>