

Constitutional Rights Foundation

Financial Statements

December 31, 2015



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Constitutional Rights Foundation
Los Angeles, California

We have audited the accompanying financial statements of Constitutional Rights Foundation (a California nonprofit corporation) (the "Foundation"), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to 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 ("U.S. GAAP"); 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the U.S. ("U.S. GAAS"). 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 Foundation'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 Foundation'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 Constitutional Rights Foundation as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. GAAP.

Armanino LLP

Armanino^{LLP}
Los Angeles, California

May 10, 2016

Constitutional Rights Foundation
Statement of Financial Position
December 31, 2015

ASSETS

Current assets	
Cash and cash equivalents	\$ 638,630
Investments	2,470,257
Accounts receivable, net	126,564
Contributions and grants receivable, net	108,725
Prepaid expenses	<u>38,064</u>
Total current assets	<u>3,382,240</u>
Other assets	
Board-designated investments	1,327,095
Beneficial interest in charitable remainder trust	66,860
Cash surrender value of life insurance	476,488
Property and equipment, net	<u>701,243</u>
Total other assets	<u>2,571,686</u>
Total assets	<u>\$ 5,953,926</u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable and accrued expenses	\$ 185,327
Deferred program fees	93,892
Accrued postretirement benefits	<u>32,123</u>
Total current liabilities	311,342
Accrued postretirement benefits, net of current portion	<u>405,246</u>
Total liabilities	<u>716,588</u>
Commitments (Notes 11 and 12)	
Net assets	
Unrestricted	
General	2,831,456
Board-designated	1,327,095
Invested in property and equipment	<u>701,243</u>
Total unrestricted	4,859,794
Temporarily restricted	277,544
Permanently restricted	<u>100,000</u>
Total net assets	<u>5,237,338</u>
Total liabilities and net assets	<u>\$ 5,953,926</u>

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

Constitutional Rights Foundation
Statement of Activities
For the Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and support				
Spring dinner, net of costs of direct benefit of \$119,437	\$ 884,350	\$ -	\$ -	\$ 884,350
Contributed materials, services and use of facilities	547,873	-	-	547,873
Program fees	367,526	-	-	367,526
Contributions and private grants	119,473	197,970	-	317,443
Sales of publications	21,819	-	-	21,819
Government grants and contract revenue	16,375	-	-	16,375
Other income	13,681	-	-	13,681
Net assets released from restrictions	<u>497,755</u>	<u>(497,755)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>2,468,852</u>	<u>(299,785)</u>	<u>-</u>	<u>2,169,067</u>
Functional expenses				
Program services	<u>2,109,328</u>	<u>-</u>	<u>-</u>	<u>2,109,328</u>
Support services				
Management and general	<u>342,599</u>	<u>-</u>	<u>-</u>	<u>342,599</u>
Fundraising				
Spring Dinner	49,306	-	-	49,306
Development	<u>96,555</u>	<u>-</u>	<u>-</u>	<u>96,555</u>
Total fundraising	<u>145,861</u>	<u>-</u>	<u>-</u>	<u>145,861</u>
Total functional expenses	<u>2,597,788</u>	<u>-</u>	<u>-</u>	<u>2,597,788</u>
Changes in net assets before investment results	<u>(128,936)</u>	<u>(299,785)</u>	<u>-</u>	<u>(428,721)</u>
Investment results				
Dividends and interest	91,358	-	-	91,358
Realized gains on sales of investments	160,984	-	-	160,984
Unrealized losses on investments	(278,954)	-	-	(278,954)
Unrealized losses on beneficial interest in charitable remainder trust	<u>-</u>	<u>(3,405)</u>	<u>-</u>	<u>(3,405)</u>
Net investment results	<u>(26,612)</u>	<u>(3,405)</u>	<u>-</u>	<u>(30,017)</u>
Changes in net assets	(155,548)	(303,190)	-	(458,738)
Net assets, beginning of year	<u>5,015,342</u>	<u>580,734</u>	<u>100,000</u>	<u>5,696,076</u>
Net assets, end of year	<u>\$ 4,859,794</u>	<u>\$ 277,544</u>	<u>\$ 100,000</u>	<u>\$ 5,237,338</u>

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

Constitutional Rights Foundation
Statement of Functional Expenses
For the Year Ended December 31, 2015

	Program services	Support Services		Total Fundraising	Total	
		Management and General	Fundraising			
			Spring Dinner	Development		
Personnel expenses						
Compensation	\$ 875,383	\$ 130,321	\$ -	\$ 51,333	\$ 51,333	\$ 1,057,037
Benefits and payroll taxes	217,499	20,313	-	11,673	11,673	249,485
Total personnel expenses	<u>1,092,882</u>	<u>150,634</u>	-	63,006	63,006	1,306,522
Conferences, travel, staff development	90,717	24,250	25,424	1,359	26,783	141,750
Contract services	73,121	78,978	700	11,500	12,200	164,299
Contributed facilities and services	547,873	-	-	-	-	547,873
Data processing	29,946	937	-	1,506	1,506	32,389
Depreciation and amortization	8,099	1,315	-	371	371	9,785
Occupancy	37,977	19,862	-	7,615	7,615	65,454
Office administration	81,184	14,288	800	5,949	6,749	102,221
Printing and materials	80,156	154	16,850	2,387	19,237	99,547
Processing fees	5,512	11,718	5,532	2,862	8,394	25,624
Professional services	39,666	40,048	-	-	-	79,714
Stipends and release time	<u>22,195</u>	<u>415</u>	-	-	-	<u>22,610</u>
	<u>\$ 2,109,328</u>	<u>\$ 342,599</u>	<u>\$ 49,306</u>	<u>\$ 96,555</u>	<u>\$ 145,861</u>	<u>\$ 2,597,788</u>

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

Constitutional Rights Foundation
Statement of Cash Flows
For the Year Ended December 31, 2015

Cash flows from operating activities	
Changes in net assets	\$ (458,738)
Adjustments to reconcile changes in net assets to net cash used in operating activities	
Depreciation and amortization	9,785
Realized gains on sales of investments	(160,984)
Unrealized losses on investments	278,954
Unrealized losses on beneficial interest in charitable remainder trust	3,405
Changes in operating assets and liabilities	
Accounts receivable	(61,167)
Contributions and grants receivable	(71,825)
Prepaid expenses	(4,677)
Cash surrender value of life insurance	(38,375)
Accounts payable and accrued expenses	34,786
Deferred program fees	7,723
Accrued postretirement benefits	1,135
Net cash used in operating activities	<u>(459,978)</u>
Cash flows from investing activities	
Purchases of investments	(540,856)
Proceeds from sales of investments	908,180
Net cash provided by investing activities	<u>367,324</u>
Net decrease in cash and cash equivalents	(92,654)
Cash and cash equivalents, beginning of year	<u>731,284</u>
Cash and cash equivalents, end of year	<u>\$ 638,630</u>

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

Constitutional Rights Foundation
Notes to Financial Statements
December 31, 2015

1. NATURE OF OPERATIONS

Constitutional Rights Foundation (the "Foundation") is a California nonprofit, nonpartisan organization with the mission to educate youth about our constitutional heritage and legal traditions and the rights and responsibilities of informed, skilled and engaged citizenship. Through teacher professional development, a range of high quality educational programs, print materials and online resources, the Foundation impacts several million students annually and 42,000 teachers nationally. Its programmatic areas include law and government, history and civic participation. Key programs include Civic Action Project, a web-based practicum in government policy now being used by some 2,300 teachers in 48 states; California Mock Trial, a statewide academic competition involving some 8,000 students and 3,000 legal volunteers, and Expanding Horizons Internships, an intensive summer seminar and work experience program for deserving urban youth that features academic and college preparation, as well as civic learning that has served some 1,500 youths. The Foundation receives support by state and foundation grants, contributions from private business organizations, fees for service and publication revenue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial statement presentation

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted (general and board-designated), temporarily restricted, and permanently restricted.

Unrestricted Net Assets, General - Include grants and contracts, program fees, contributions, sales and other forms of unrestricted revenue and expenditures related to the general operations and fundraising efforts of the Foundation.

Unrestricted Board-Designated Net Assets - Include unrestricted net assets designated by the Foundation's Board of Directors as quasi-endowments, with earnings to be used for programs, to meet the specification of a challenge grant or reserves.

Unrestricted Net Assets Invested in Property and Equipment - Include unrestricted net assets the Foundation currently has invested in property and equipment, net of accumulated depreciation.

Temporarily Restricted Net Assets - Include contributions and private grants received where use is temporarily restricted by the donor or contributions and grants receivable which are time restricted. When the conditions of the restrictions are met or expire or the contributions and grants receivable are collected, the net assets of this class are reclassified to unrestricted net assets.

Permanently Restricted Net Assets - Include assets that have been restricted by the donor in perpetuity to establish a cash reserve fund.

Constitutional Rights Foundation
Notes to Financial Statements
December 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax status

The Foundation is a nonprofit public benefit corporation organized under the laws of California and, as such, is exempt from federal and state income taxes under Internal Revenue Code ("IRC") Section 501(c)(3) and corresponding state provisions.

The Foundation's federal income tax and informational returns for tax years ended December 31, 2012, and subsequent remain subject to examination by the Internal Revenue Service. The returns for California, the Foundation's only state tax jurisdiction, remain subject to examination by the California Franchise Tax Board for tax years ended December 31, 2011, and subsequent.

Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Cash and cash equivalents

The Foundation considers all highly-liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments

Investments are stated at fair value. Unrealized gains and losses are recognized aggregately. Realized gains and losses are recognized immediately and are computed using the first-in, first-out method.

Accounts receivable and allowance for doubtful accounts

Accounts receivable consist of amounts earned and not yet collected from the Foundation's grants and contracts, program fees, and sales.

Contributions and grants receivable

Unconditional promises to give cash and other assets to the Foundation are reported at the fair value of the promise at the date the promise is received. Conditional promises to give and indications of intentions to give are not reported until the conditions are met.

Constitutional Rights Foundation
Notes to Financial Statements
December 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Beneficial interest in charitable remainder trust

The Foundation is a named beneficiary of a charitable remainder trust. Management receives a annual beneficiary report which reports the valuation of the Foundation's interest based on the value of the portfolio, trustor's age, the payout rate, and a discount rate of 2%. The annual fluctuation is reported as an unrealized gain or loss on the accompanying statement of activities.

Cash surrender value of life insurance

Cash surrender value of life insurance is reported at the cash surrender value of the contract as determined by the life insurance company.

Property and equipment

Property and equipment are reported at cost. Donated items are carried at estimated fair value when received. Depreciation and amortization of both purchased and donated items are computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	20 years
Furniture and equipment	5 years

Normal repairs and maintenance are expensed as incurred, whereas significant charges which materially increase values or extend useful lives are capitalized and depreciated or amortized over the estimated useful lives of the related assets.

Endowments

Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

Contributions

Contributions are reported either as unrestricted or restricted depending on the existence of donor-imposed restrictions that limit the use of the support to a particular purpose. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed materials, services, and use of facilities

Materials and use of facilities contributed to the Foundation are recognized and recorded at fair value as of the contribution date. Contributed services are recognized and recorded at fair value when all criteria for recording such services are met.

Constitutional Rights Foundation
Notes to Financial Statements
December 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed materials, services, and use of facilities (continued)

Contributed services and use of facilities during the year were recognized as follows:

Professional services	\$ 519,873
Conferences and meetings (contributed use of facilities)	<u>28,000</u>
	<u>\$ 547,873</u>

Additionally, an automobile with an estimated fair value of \$41,562 was contributed to the annual Spring Dinner event and reported as a contribution as well as a cost of direct benefit within the Spring Dinner proceeds in the accompanying statement of activities.

Functional expenses

The Foundation allocates its expenses on a functional basis among its various program and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated accordingly.

Concentrations of risk

Occasionally the Foundation's bank and investment balances exceed FDIC- and SIPC-insured limits. The Foundation has not experienced and does not anticipate any losses related to these accounts.

The Foundation's accounts and contributions and grants receivable are unsecured and the Foundation is at risk to the extent that such amounts become uncollectible. The Foundation estimates its allowances for doubtful accounts and potentially uncollectible contributions and grants based on known facts and historical trends.

Impairment

Management reviews each asset or asset group for impairment whenever events or circumstances indicate the carrying value of an asset or asset group may not be recoverable, but at least annually. No impairment provision was recorded by the Foundation during the year.

Subsequent events

The Organization has evaluated events subsequent to December 31, 2015, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through May 10, 2016, the date the financial statements were available to be issued. Based upon this evaluation, it was determined no subsequent events occurred that require recognition or additional disclosure in the financial statements.

Constitutional Rights Foundation
Notes to Financial Statements
December 31, 2015

3. INVESTMENTS

The Foundation reports its investments at fair value among three categories of price inputs available. These categories of inputs are quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of December 31, 2015:

	Level 1	Level 2	Level 3	Total
U.S. equities	\$ 1,606,094	\$ -	\$ -	\$ 1,606,094
International equities	1,029,394	-	-	1,029,394
U.S. bonds	-	812,236	-	812,236
International bonds	-	<u>349,628</u>	-	<u>349,628</u>
	<u>\$ 2,635,488</u>	<u>\$ 1,161,864</u>	<u>\$ -</u>	<u>\$ 3,797,352</u>

Investments consist of the following:

Investments - current	\$ 2,470,257
Board-designated investments	<u>1,327,095</u>
	<u>\$ 3,797,352</u>

Activity in the investments during the year was as follows:

Balance, beginning of year	\$ 4,282,646
Purchases of investments	540,856
Proceeds from sales of investments	(908,180)
Realized gains on sales of investments	160,984
Unrealized losses on investments	<u>(278,954)</u>
Balance, end of year	<u>\$ 3,797,352</u>

4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

Accounts receivable	\$ 133,275
Allowance for doubtful accounts	<u>(6,711)</u>
	<u>\$ 126,564</u>

Constitutional Rights Foundation
Notes to Financial Statements
December 31, 2015

5. CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable consist of the following:

Due in less than one year	\$ 128,000
Allowance for potentially uncollectible contributions and grants	<u>(19,275)</u>
	<u>\$ 108,725</u>

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Land	\$ 617,157
Buildings and improvements	611,743
Furniture and equipment	<u>338,990</u>
	1,567,890
 Accumulated depreciation and amortization	 <u>(866,647)</u>
	<u>\$ 701,243</u>

7. BOARD-DESIGNATED UNRESTRICTED NET ASSETS

The Foundation's Board of Directors has designated portions of its unrestricted net assets as quasi-endowments (see Note 10) with earnings to be used specifically for certain programs, to meet the specifications of a challenge grant, or for emergency purposes.

Board-designated unrestricted net assets consist of the following:

Robert and Phyllis Henigson Fund	\$ 295,499
Creative Kids Internship Program Endowment Fund	380,072
Keck Challenge Grant Fund (see Note 9)	200,000
Alan I. Rothenberg Endowment Fund	202,068
James A. Cobey Endowment Fund	90,808
Jack Strutman Endowment Fund	81,176
Jerome C. Byrne Fund	69,546
Capital Facility Improvement Reserve	<u>7,926</u>
	<u>\$ 1,327,095</u>

Constitutional Rights Foundation
Notes to Financial Statements
December 31, 2015

8. TEMPORARY RESTRICTED NET ASSETS

Temporary restricted net assets during the year are as follows:

	<u>Released from Restrictions</u>	<u>Balance, December 31, 2015</u>
Service learning	\$ (167,965)	\$ 27,195
Expanding horizons internships	(46,335)	71,985
Common core	(228,270)	-
Law-related education	(55,185)	11,504
Time restriction only	<u>-</u>	<u>100,000</u>
	(497,755)	210,684
 Charitable remainder trust	 <u>(3,405)</u>	 <u>66,860</u>
	 <u><u>\$ (501,160)</u></u>	 <u><u>\$ 277,544</u></u>

These balances include contributions and grants receivable with donor purpose restrictions totaling \$28,000 plus contributions and grants receivable totaling \$100,000 with no donor purpose restrictions.

9. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets include a \$100,000 grant to establish a cash reserve fund subject to certain restrictions. One of these restrictions is a stipulation the Foundation obtain matching funds on a 2-to-1 basis. A second restriction is the principal balance of the grant be used only to alleviate cash flow difficulties and, if used, that it must be replenished from other private contributions by the end of each calendar year. The matching \$200,000 has been included in board-designated unrestricted net assets (see Note 10). The permanently restricted and matching amount are included in cash and cash equivalents on the accompanying statement of financial position.

Constitutional Rights Foundation
Notes to Financial Statements
December 31, 2015

10. ENDOWMENT

The Foundation's endowment consists of eight individual funds designated by the Board of Directors to function as quasi-endowments for the purposes disclosed in Note 7. The permanently donor-restricted funds referenced in Note 9 were donor-directed to be deposited and serve as a floor for the Foundation's checking account, and do not meet the reporting standards of an endowment.

Return objectives and risk parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the executive committee of the Board of Directors, the endowment assets are invested in a manner intended to assume a moderate level of investment risk and to provide an annual rate of return of approximately 5% plus inflation. Actual returns in any given year may vary from this amount.

Spending policy and how investment objectives relate to spending policy

The Foundation has a policy of appropriating for distribution each year 3 percent of its endowment fund's average fair value over the prior 12 quarters through the third quarter preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an annual rate equal to or greater than inflation. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Board-designated endowment funds	\$ 1,319,169	\$ -	\$ -	\$ 1,319,169
Board-designated reserve funds	<u>7,926</u>	<u>-</u>	<u>-</u>	<u>7,926</u>
	<u>\$ 1,327,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,327,095</u>

Constitutional Rights Foundation
Notes to Financial Statements
December 31, 2015

10. ENDOWMENT (continued)

Changes in endowment net assets and reserve funds during the year:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Balance, December 31, 2014	\$ 1,378,032	\$ -	\$ -	\$ 1,378,032
Net realized and unrealized gains and losses	(40,775)	-	-	(40,775)
Investment income	31,035	-	-	31,035
Investment fees	(4,632)	-	-	(4,632)
Appropriation for expenditure	<u>(36,565)</u>	<u>-</u>	<u>-</u>	<u>(36,565)</u>
Balance, December 31, 2015	<u>\$ 1,327,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,327,095</u>

11. PENSION

The Foundation has a defined-contribution IRC Section 403(b) pension plan, covering substantially all employees of the Foundation who meet the minimum service requirement of one year. Employees are permitted to contribute the maximum amount allowed by the IRC. Employee contributions are fully vested immediately upon contribution to the plan. The plan requires annual contributions by the Foundation ranging from 3% to 4% of eligible employees' compensation. The Foundation made contributions totaling \$22,855 during the year ended December 31, 2015.

The Foundation established a non-qualified, non-ERISA and discriminatory IRC Section 457(b) plan covering certain employees holding executive positions with the Foundation. Under the terms of the plan, executives selected to participate by the Board of Directors will receive benefits upon retirement. The Foundation intends to fund the benefits using the cash surrender value of life insurance policies on certain current and past employees in which the Foundation is the beneficiary. There were no payments from the plan during the year. Pension expense incurred for this plan totaled \$31,820 during the year. The amount included in the accrued postretirement benefits on the accompanying statement of financial position totaled \$360,061 at December 31, 2015.

The Foundation established an unfunded nonqualified IRC Section 457(f) retirement plan covering a former key employee. The plan stipulates the Foundation pay a benefit to this employee for no longer than through 2017. Payments from the plan totaled \$35,000 during the year. Interest cost incurred for this plan totaled \$4,314 during the year. The amount included in the accrued postretirement benefits on the accompanying statement of financial position totaled \$77,308 at December 31, 2015.

Constitutional Rights Foundation
Notes to Financial Statements
December 31, 2015

12. COMMITMENTS

The Foundation leases certain office equipment under non-cancelable operating leases. The various leases are due to expire in December 2021. Rent expense related to the leases totaled \$9,003 for the year.

The scheduled minimum lease payments under the lease terms are as follows:

Year ending December 31,

2016	\$ 6,850
2017	7,200
2018	7,200
2019	4,950
2020	4,200
Thereafter	<u>4,200</u>
	<u>\$ 34,600</u>