

DĚMOS: A NETWORK FOR IDEAS AND ACTION, LTD.

FINANCIAL STATEMENTS

June 30, 2021

CONTENTS

Independent Auditor's Report	1
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Dēmos: A Network for Ideas and Action, Ltd.
New York, New York

We have audited the accompanying financial statements of Dēmos: A Network for Ideas and Action, Ltd., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 Dēmos: A Network for Ideas and Action, Ltd. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Dēmos: A Network for Ideas and Action, Ltd.'s 2020 financial statements, and our report dated October 23, 2020, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Wegner CPAs LLP

Wegner CPAs, LLP
New York, New York
October 13, 2021

DĒMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
STATEMENT OF FINANCIAL POSITION
June 30, 2021 with comparative totals for June 30, 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 10,901,577	\$ 7,109,807
Contributions receivable, net (Note 4)	2,087,333	4,628,498
Other receivables	31,522	47,858
Prepaid expenses	167,036	272,187
Security deposits	79,979	79,979
Equipment and leasehold improvements, net (Note 6)	583,734	807,724
Total assets	\$ 13,851,181	\$ 12,946,053
LIABILITIES		
Accounts payable	\$ 140,841	\$ 282,221
Accrued expenses	436,185	211,072
Deferred rent	808,058	809,798
Deferred revenue	34,666	-
Note payable (Note 7)	-	283,334
Paycheck Protection Program loan payable (Note 8)	-	964,000
Total liabilities	1,419,750	2,550,425
NET ASSETS		
Without donor restrictions	3,663,795	2,182,537
With donor restrictions (Note 10)	8,767,636	8,213,091
Total net assets	12,431,431	10,395,628
Total liabilities and net assets	\$ 13,851,181	\$ 12,946,053

See accompanying notes.

DÉMOS: A NETWORK FOR IDEAS AND ACTION, LTD.

STATEMENT OF ACTIVITIES

Year ended June 30, 2021 with comparative totals for the year ended June 30, 2020

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES				
Contributions	\$ 5,907,002	\$ 7,407,237	\$ 13,314,239	\$ 10,411,600
Program revenue	73,666	-	73,666	115,173
Honorarium and book sales	8,150	-	8,150	3,900
Investment income	7,945	-	7,945	44,724
Gain on Paycheck Protection Program loan forgiveness	964,000	-	964,000	-
Other income	13,423	-	13,423	1,678
Total revenues	6,974,186	7,407,237	14,381,423	10,577,075
EXPENSES				
Program services				
Democracy Reform	2,769,119	-	2,769,119	2,858,535
Power and Movement Building	3,661,342	-	3,661,342	2,424,727
Economic Democracy and Justice	2,025,049	-	2,025,049	964,408
Fellows Program	-	-	-	362,154
Progressive Hub	-	-	-	577,427
Ideas Lab	-	-	-	503,137
Total program services	8,455,510	-	8,455,510	7,690,388
Supporting activities				
Management and general	2,412,675	-	2,412,675	2,355,703
Fundraising	1,477,435	-	1,477,435	1,233,001
Total expenses	12,345,620	-	12,345,620	11,279,092
Net assets released from restrictions				
Satisfaction of purpose restrictions	4,429,292	(4,429,292)	-	-
Satisfaction of time restrictions	2,423,400	(2,423,400)	-	-
Change in net assets	1,481,258	554,545	2,035,803	(702,017)
Net assets at beginning of year	2,182,537	8,213,091	10,395,628	11,097,645
Net assets at end of year	\$ 3,663,795	\$ 8,767,636	\$ 12,431,431	\$ 10,395,628

See accompanying notes.

DÉMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2021 with comparative totals for the year ended June 30, 2020

	Program Services				Supporting Activities		2021 Total	2020 Total
	Democracy Reform	Power and Movement Building	Economic Democracy and Justice	Total Program Services	Management and General	Fundraising		
Salaries and wages	\$ 1,394,765	\$ 1,166,562	\$ 824,982	\$ 3,386,309	\$ 1,216,632	\$ 830,320	\$ 5,433,261	\$ 4,950,202
Payroll taxes and employee benefits	494,857	378,224	304,848	1,177,929	570,050	288,040	2,036,019	1,645,479
Collaborations - publications and research	-	1,203,352	342,869	1,546,221	-	-	1,546,221	445,481
Professional and consulting fees	419,947	538,855	296,755	1,255,557	123,662	70,451	1,449,670	1,663,181
Occupancy	277,709	232,272	164,261	674,242	234,896	165,324	1,074,462	1,088,008
Travel	322	1,745	460	2,527	8,225	-	10,752	331,730
Supplies and office expense	1,791	1,893	1,006	4,690	4,934	1,583	11,207	26,646
Meetings and conferences	201	101	716	1,018	2,065	-	3,083	168,640
Depreciation and amortization	62,164	51,993	36,769	150,926	54,223	37,007	242,156	257,399
Telecommunications	23,242	19,447	13,747	56,436	20,025	13,836	90,297	90,990
Utilities	4,108	3,436	2,430	9,974	3,958	2,445	16,377	30,433
Printing and reproduction	2,771	2,314	1,636	6,721	2,335	15,222	24,278	28,839
Postage and delivery	1,044	1,173	636	2,853	6,548	1,464	10,865	20,363
Dues and subscriptions	31,322	10,103	5,254	46,679	11,447	3,896	62,022	68,952
Computer expense	27,031	35,391	19,148	81,570	17,838	21,155	120,563	110,762
Repairs and maintenance	2,393	2,002	1,416	5,811	2,132	1,425	9,368	33,092
Events	-	-	-	-	-	172	172	-
Other	25,452	12,479	8,116	46,047	133,705	25,095	204,847	318,895
Total expenses	\$ 2,769,119	\$ 3,661,342	\$ 2,025,049	\$ 8,455,510	\$ 2,412,675	\$ 1,477,435	\$ 12,345,620	\$ 11,279,092

See accompanying notes.

DÉMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
STATEMENT OF CASH FLOWS
Year ended June 30, 2021 with comparative totals for June 30, 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,035,803	\$ (702,017)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	242,156	257,399
Gain on debt extinguishment	(964,000)	-
Amortization of discount on contributions receivable	(84,820)	(124,955)
Decrease in assets		
Contributions receivable	2,625,985	1,901,991
Other receivables	16,336	23,288
Prepaid expenses	105,151	22,880
Security deposits	-	440
Increase (decrease) in liabilities		
Accounts payable	(141,380)	26,136
Accrued expenses	225,113	45,665
Deferred rent	(1,740)	20,140
Deferred revenue	34,666	(32,000)
	<u>4,093,270</u>	<u>1,438,967</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and leasehold improvements	(18,166)	(85,376)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan payable	-	964,000
Principal payments on note payable	(283,334)	(199,999)
	<u>(283,334)</u>	<u>764,001</u>
Net cash flows from financing activities		
	<u>(283,334)</u>	<u>764,001</u>
Net change in cash and cash equivalents	3,791,770	2,117,592
Cash and cash equivalents at beginning of year	<u>7,109,807</u>	<u>4,992,215</u>
Cash and cash equivalents at end of year	<u>\$ 10,901,577</u>	<u>\$ 7,109,807</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 5,278	\$ 23,156
Forgiveness of Paycheck Protection Program loan	(964,000)	-

See accompanying notes.

DĒMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 with comparative totals for June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Dēmos: A Network for Ideas and Action, Ltd. (“Dēmos”) is a not-for-profit organization, incorporated in February 2000 under the laws of the State of New York. Dēmos is a public policy organization working for an America where we all have an equal say in our democracy and an equal chance in our economy. Our name means “the people.” It is the root word of democracy, and it reminds us that in America, the true source of our greatness is the diversity of our people. Our nation’s highest challenge is to create a democracy that truly empowers people of all backgrounds, so that we all have a say in setting the policies that shape opportunity and provide for our common future. To help America meet that challenge, Dēmos is working to reduce both political and economic inequality, deploying original research, advocacy, litigation, and strategic communications to create the America the people deserve.

Cash and Cash Equivalents

For financial presentation purposes, Dēmos considers all highly liquid investments with original maturities of three months or less at the date of acquisition to be cash equivalents.

Contributions Receivable

Contributions are recorded as support upon the receipt of cash or unconditional pledges. Contributions are considered available for use without donor restriction, unless specifically restricted by the donor. Conditional contributions are recorded when the specified conditions have been met. Contributions to be received over periods longer than one year are discounted at an interest rate commensurate with risk involved if material to the financial statements.

Other Receivables

Dēmos considers all receivables to be fully collectible. Accordingly, no allowance for doubtful accounts is recorded. If receivables become uncollectible, they will be charged to operations when that determination is made.

Equipment and Leasehold Improvements

Equipment and leasehold improvements are stated at their original costs or, if donated, at their fair values on the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of 3 to 10 years. Expenditures for leasehold improvements are capitalized and depreciated using the straight-line method over the shorter of the estimated useful life of the specific asset or the term of the lease. Costs incurred during the development of the website to be used internally are capitalized and amortized using the straight-line method.

Deferred Rent

Rent expense is recognized using the straight-line method over the terms of the lease. The difference between rent expense incurred and the amount paid, which is attributable to scheduled rent increases and rent abatement periods, is reported as deferred rent in the accompanying statement of financial position.

DĒMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 with comparative totals for June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue Recognition

Dēmos contracts with numerous organizations to provide various consulting services. Consulting revenue consists of single performance obligations that are satisfied at a point in time (when deliverables are provided), as well as over time within the designated contract period.

Honorarium and book sales are recognized based upon services rendered in accordance with contractual provisions. Amounts received in advance of the period to which the services are delivered are reported as deferred revenue.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Expenses incurred by Dēmos that benefits a specific program or supportive service is treated as a direct expense of that program or supportive service and recorded as such. Accordingly, certain categories of expenses cannot be directly attributed to a specific program or benefit the organization as a whole; those expenses are allocated based on an estimate of the time and effort each employee devotes to Dēmos' programs and supportive activity. Those expenses include salaries and wages, payroll taxes and employee benefits, certain professional and consulting fees, certain travel expenses, occupancy, supplies and office expense, depreciation and amortization, telecommunications, utilities, certain meetings and conferences, printing and reproduction, postage and delivery, dues and subscriptions, computer expense, repairs and maintenance, and other. The time and effort estimates used to allocate these expenses are reviewed and updated every quarter. The following program services and supporting activities are included in the accompanying financial statements:

Democracy Reform – Dēmos is committed to creating an inclusive democracy by protecting our freedom to vote and ensuring the democratic process reflects our diverse electorate. We analyze policies, practices, and power dynamics that maintain racial inequality and exclude Americans from full participation in our democracy and generate bold solutions.

Power and Movement Building – Dēmos works to connect the ideas of Dēmos with strategies to support grassroots organizations. Our inclusive democracy project works with grassroots partners around the country to ensure that racial equity is at the center of advocacy campaigns for democracy reform. We employ research and policy expertise, communications strategies, and litigation capacities in partnership with movement organizations to work for a more equitable economy and democracy.

DĒMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 with comparative totals for June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Economic Democracy and Justice – Dēmos is working to combat the inequality of our current economic system. This includes in-depth analysis, narrative development, and policy proposals to build economic power for black and brown people, improve job quality and access, advance worker rights, and seek reform in our flawed credit system.

Fellows Program – Dēmos’ fellows program supports scholars and writers whose innovative work influences the public debate about crucial, national issues. The program offers an intellectual home and communications platform for one emerging voices fellow early in their career who will contribute to important public debates. We also have a small distinguished fellows program for distinguished public figures whose research and messaging can be used to inform the policy debates.

Progressive Hub – Dēmos works to advance the core policy and narrative ideas of Dēmos throughout sectors that influence the policy discussion in our country. We work to integrate ideas for creating a more inclusive democracy and economy within networks of policymakers, academics, advocacy organizations, and other opinion leaders.

Ideas Lab – Dēmos will engage key movement leaders, thinkers, and experts in conversation to surface new ideas that fill gaps in the progressive policy debate around issues of inequality, racial exclusion, and shortfalls of democracy. Ideas Lab will make a contribution to promoting structural change and building progressive movement power – these ideas will be further developed and shared back out to the field as a whole.

Management and general – Includes the activities necessary to ensure proper administrative functioning of the board of trustees, manage the financial and budgetary responsibilities, and perform other administrative functions.

Fundraising – Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and others.

Income Tax Status

Dēmos is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, Dēmos qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation.

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 revenue and expenses. Actual results could differ from those estimates.

DĚMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 with comparative totals for June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Date of Management’s Review

Management has evaluated subsequent events through October 13, 2021, the date which the financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

Dēmos maintains its cash and cash equivalent balances in two financial institutions. At June 30, 2021 and 2020, Dēmos’ cash and cash equivalent balances exceeded federally insured limits by \$6,931,344 and \$4,391,809. Of this amount, \$3,440,526 and \$2,609,409, respectively, was invested in broker/dealer money market accounts.

NOTE 3 – ECONOMIC DEPENDENCY

For the year ended June 30, 2021, approximately 40% of Dēmos’ revenue came from one donor.

NOTE 4 – CONTRIBUTIONS RECEIVABLE

Unconditional contributions receivable at June 30, 2021 and 2020 consisted of the following:

	2021	2020
Contributions receivable in less than one year	\$ 2,027,333	\$ 3,438,318
Contributions receivable in one to five years	60,000	1,275,000
Total contributions receivable	2,087,333	4,713,318
Less discount to net present value	-	(84,820)
Contributions receivable, net	\$ 2,087,333	\$ 4,628,498

Contributions receivable in one to five years were discounted at an effective rate of 3.73% at June 30, 2020.

NOTE 5 – LINE OF CREDIT

Dēmos has a \$2,000,000 line of credit with a bank. The line is secured by Dēmos’ general business assets, carries interest at 5.75%, and expires on January 8, 2022. There was no outstanding balance at June 30, 2021 and 2020.

DĚMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 with comparative totals for June 30, 2020

NOTE 6 – EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Equipment and leasehold improvements at June 30, 2021 and 2020 consisted of the following:

	2021	2020
Equipment	\$ 377,756	\$ 359,590
Leasehold improvements	556,643	556,643
Website	335,505	335,505
Furniture and fixtures	352,918	352,918
Equipment and leasehold improvements	1,622,822	1,604,656
Less accumulated depreciation and amortization	(1,039,088)	(796,932)
Equipment and leasehold improvements, net	\$ 583,734	\$ 807,724

NOTE 7 – NOTE PAYABLE

Dēmos has a note payable with required monthly principal installments of \$16,667 plus interest at 30 day LIBOR plus 6% maturing November 2021. The note payable is secured by equipment. In December 2020, Dēmos paid off the remaining principal balance on the note. The note payable balance at June 30, 2021 and 2020 was \$0 and \$283,334.

Interest expense for the years ended June 30, 2021 and 2020 was \$5,278 and \$23,156.

NOTE 8 – PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

On April 13, 2020, Dēmos received a \$964,000 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loan accrued interest at 1%, but payments were deferred until a determination of the amount of forgiveness was made. The amount of forgiveness depended, in part, on the total amount of eligible expenses paid by Dēmos during the covered period. Eligible expenses included payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion was payable over two years. On December 8, 2020, the SBA approved forgiveness of the loan and accrued interest. Dēmos must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review Dēmos' good-faith certification concerning the necessity of its loan request, whether Dēmos calculated the loan amount correctly, whether Dēmos used loan proceeds for the allowable uses specified in the CARES Act, and whether Dēmos is entitled to loan forgiveness in the amount claimed on its application. If SBA determines Dēmos was ineligible for the loan or for forgiveness in whole or in part, SBA may seek repayment of the outstanding loan balance.

DĒMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 with comparative totals for June 30, 2020

NOTE 9 – RETIREMENT PLAN

Dēmos maintains a contributory, defined-contribution 403(b) plan covering all employees who meet specific eligibility requirements. The plan is an elective, deferred-salary arrangement. Dēmos may contribute to the 403(b) plan on behalf of the employees, at the discretion of the board of trustees. Dēmos' contributions to the plan during the years ended June 30, 2021 and 2020, on behalf of active employees, totaled \$247,967 and \$247,753.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2021 and 2020 were available for the following purposes or periods:

	2021	2020
Subsequent years	\$ 8,065,000	\$ 3,663,580
Capacity Building	250,000	2,175,000
Visionary Opposition on Voting	289,136	1,096,507
Democracy Project	153,500	480,000
Power Building	-	355,498
Race Forward Economic Agenda	10,000	442,506
Net assets with donor restrictions	\$ 8,767,636	\$ 8,213,091

NOTE 11 – OPERATING LEASES

Dēmos has leases for the use of office facilities which will expire May 2027 and September 2027. Certain leases are subject to escalations for increases in real estate taxes and other operating expenses. Future minimum obligations under the leases for the years ending June 30 are as follows:

2022	\$ 1,105,209
2023	1,149,664
2024	1,174,004
2025	1,198,864
2026	1,224,255
Thereafter	1,320,550
Total	\$ 7,172,546

Rent expense for the years ended June 30, 2021 and 2020 was \$1,045,718 and \$1,088,008.

If Dēmos were to default on the lease payments in the first five years of the lease, Dēmos would be liable for a maximum of \$624,911 in abatement repayments. In lieu of providing the security deposit of \$247,500 for the new office space, the landlord required Dēmos to establish a letter of credit with the bank to hold the security deposit amount. The letter of credit has an annual interest rate of 1%.

DĒMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 with comparative totals for June 30, 2020

NOTE 12 – LIQUIDITY AND AVAILABILITY

The following reflects Dēmos’ financial assets as of the dates of the statements of financial position, reduced by amounts not available for general use within one year of the dates of the statements of financial position due to contractual or donor-imposed restrictions.

	2021	2020
Cash and cash equivalents	\$ 10,901,577	\$ 7,109,807
Contributions receivable, net	2,087,333	4,628,498
Other receivables	31,522	47,858
 Total financial assets at year end	 13,020,432	 11,786,163
 Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Contributions receivable scheduled to be collected in more than one year, net	(60,000)	(1,190,180)
Restricted by donor with purpose restrictions	(702,636)	(4,549,511)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 12,257,796	 \$ 6,046,472

Dēmos has a goal to maintain financial assets on hand to meet three months of normal operating expenses. Financial assets in excess of the amount on hand to cover normal operating expenses are invested in money market mutual funds and other cash equivalents. Dēmos also has a \$2,000,000 line of credit which it could draw upon in the event of an unanticipated liquidity need.

NOTE 13 – COVID CONSIDERATIONS

The COVID-19 pandemic has impacted and may continue to impact Dēmos’ operations and employees as a result of restrictions on gathering and travel. Even after the COVID-19 pandemic has subsided, Dēmos may continue to experience adverse impacts to its operations as a result of any economic recession or depression that has occurred or may occur in the future, all of which are uncertain and cannot be predicted. Therefore, Dēmos cannot reasonably estimate the impact at this time.