

DĚMOS: A NETWORK FOR IDEAS AND ACTION, LTD.

FINANCIAL STATEMENTS

June 30, 2016 and 2015

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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 statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, 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 Dēmos: A Network for Ideas and Action, Ltd. 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.

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DEMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
STATEMENTS OF FINANCIAL POSITION
June 30, 2016 and 2015

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 1,414,834	\$ 2,402,328
Contributions receivable (Note 3)	13,900,609	1,714,360
Other receivables	65,986	96,491
Prepaid expenses	62,043	196,628
Security deposits	119,196	117,153
Equipment and leasehold improvements (Note 4)	81,938	153,619
Total assets	\$ 15,644,606	\$ 4,680,579
LIABILITIES		
Accounts payable	\$ 223,913	\$ 207,629
Security deposit payable	11,150	14,700
Accrued expenses	133,288	101,449
Lease payable (Note 5)	27,124	67,139
Grants payable	27,500	97,500
Deferred rent	36,510	120,949
Refundable advance	125,470	-
Deferred revenue	31,755	17,736
Total liabilities	616,710	627,102
NET ASSETS		
Unrestricted	573,400	210,372
Temporarily restricted (Note 7)	14,454,496	3,843,105
Total net assets	15,027,896	4,053,477
Total liabilities and net assets	\$ 15,644,606	\$ 4,680,579

See accompanying notes.

DEMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
STATEMENT OF ACTIVITIES
Year ended June 30, 2016

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND OTHER REVENUE			
Contributions	\$ 5,406,597	\$ 13,846,829	\$ 19,253,426
Special event	357,850	-	357,850
Less costs of direct benefits to donors	(119,937)	-	(119,937)
Program revenue	264,235	-	264,235
Honorarium and book sales	3,490	-	3,490
Rental revenue	171,505	-	171,505
Interest income	4,078	-	4,078
In-kind revenue	54,426	-	54,426
Other income	2,686	-	2,686
	<hr/>	<hr/>	<hr/>
Total support and other revenue	6,144,930	13,846,829	19,991,759
EXPENSES			
Program services			
Freedom to Vote	1,950,044	-	1,950,044
Upward Mobility	1,494,636	-	1,494,636
Money in Politics	1,355,163	-	1,355,163
Fellows	561,796	-	561,796
Affiliated Programs	1,073,074	-	1,073,074
Supporting activities			
Management and general	1,501,161	-	1,501,161
Fundraising	1,081,466	-	1,081,466
	<hr/>	<hr/>	<hr/>
Total expenses	9,017,340	-	9,017,340
Net assets released from restrictions	3,235,438	(3,235,438)	-
	<hr/>	<hr/>	<hr/>
Change in net assets	363,028	10,611,391	10,974,419
Net assets - beginning of year	210,372	3,843,105	4,053,477
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Net assets - end of year	<u>\$ 573,400</u>	<u>\$ 14,454,496</u>	<u>\$ 15,027,896</u>

See accompanying notes.

DEMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
STATEMENT OF ACTIVITIES
Year ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND OTHER REVENUE			
Contributions	\$ 3,944,905	\$ 2,880,393	\$ 6,825,298
Special event	384,595	-	384,595
Less costs of direct benefits to donors	(144,638)	-	(144,638)
Program revenue	164,446	-	164,446
Honorarium and book sales	13,050	-	13,050
Rental revenue	196,387	-	196,387
Interest income	4,829	-	4,829
In-kind revenue	1,502	-	1,502
Other income	2,077	-	2,077
	<hr/>	<hr/>	<hr/>
Total support and other revenue	4,567,153	2,880,393	7,447,546
EXPENSES			
Program services			
Freedom to Vote	2,121,811	-	2,121,811
Upward Mobility	1,299,603	-	1,299,603
Money in Politics	995,880	-	995,880
Fellows	700,140	-	700,140
New Economic Paradigms	667,351	-	667,351
Affiliated Programs	758,199	-	758,199
Supporting activities			
Management and general	1,438,501	-	1,438,501
Fundraising	910,865	-	910,865
	<hr/>	<hr/>	<hr/>
Total expenses	8,892,350	-	8,892,350
Net assets released from restrictions	4,475,049	(4,475,049)	-
	<hr/>	<hr/>	<hr/>
Change in net assets	149,852	(1,594,656)	(1,444,804)
Net assets - beginning of year	60,520	5,437,761	5,498,281
	<hr/>	<hr/>	<hr/>
Net assets - end of year	<u>\$ 210,372</u>	<u>\$ 3,843,105</u>	<u>\$ 4,053,477</u>

See accompanying notes.

DÉMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2016

	Program Services					Supporting Activities					Total
	Freedom to Vote	Upward Mobility	Money in Politics	Fellows	Affiliated Programs	Total Program Services	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total Supporting Activities	
Salaries and wages	\$ 986,454	\$ 793,272	\$ 641,878	\$ 315,522	\$ 296,114	\$ 3,033,240	\$ 728,323	\$ 646,290	\$ -	\$ 1,374,613	\$ 4,407,853
Payroll taxes and employee benefits	237,819	181,279	140,188	55,885	49,388	664,559	196,286	131,396	-	327,682	992,241
Collaborations - publications and research	127,250	150,000	127,250	-	64,384	468,884	-	-	-	-	468,884
Professional and consulting fees	115,818	47,285	114,570	26,373	521,334	825,380	248,753	31,339	-	280,092	1,105,472
Occupancy	206,355	150,699	121,560	88,335	44,330	611,279	123,842	113,795	-	237,637	848,916
Travel	109,507	54,547	76,436	11,337	49,076	300,903	36,339	33,641	-	69,980	370,883
Supplies and office expense	8,510	5,393	5,739	3,061	3,497	26,200	5,555	4,961	-	10,516	36,716
Meetings and conferences	13,564	2,217	28,060	249	6,754	50,844	55,929	3,548	-	59,477	110,321
Depreciation and amortization	19,016	14,233	11,481	8,343	-	53,073	13,444	10,748	-	24,192	77,265
Telecommunications	15,744	11,764	9,568	6,887	279	44,242	11,883	8,772	-	20,655	64,897
Utilities	10,016	7,496	6,047	4,394	-	27,953	7,019	5,661	-	12,680	40,633
Printing and reproduction	4,885	2,335	2,958	1,381	4,270	15,829	5,507	19,174	-	24,681	40,510
Postage and delivery	2,790	1,611	1,216	838	1,484	7,939	4,434	2,493	-	6,927	14,866
Dues and subscriptions	28,870	8,789	21,996	2,569	1,071	63,295	9,369	11,091	-	20,460	83,755
Computer expense	13,254	8,228	6,042	5,701	2,075	35,300	11,902	14,171	-	26,073	61,373
Repairs and maintenance	7,161	5,358	4,328	3,143	-	19,990	5,407	4,107	-	9,514	29,504
Events	-	-	-	-	-	-	-	-	119,937	119,937	119,937
Other	43,031	50,130	35,846	27,778	29,018	185,803	37,169	40,279	-	77,448	263,251
Total expenses	1,950,044	1,494,636	1,355,163	561,796	1,073,074	6,434,713	1,501,161	1,081,466	119,937	2,702,564	9,137,277
Less expenses included with support and other revenue on the statement of activities	-	-	-	-	-	-	-	-	(119,937)	(119,937)	(119,937)
Total expenses included in the expenses section on the statement of activities	\$ 1,950,044	\$ 1,494,636	\$ 1,355,163	\$ 561,796	\$ 1,073,074	\$ 6,434,713	\$ 1,501,161	\$ 1,081,466	\$ -	\$ 2,582,627	\$ 9,017,340

See accompanying notes.

DÉMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2015

	Program Services						Supporting Activities					Total
	Freedom to Vote	Upward Mobility	Money in Politics	Fellows	New Economic Paradigms	Affiliated Programs	Total Program Services	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total Supporting Activities	
Salaries and wages	\$ 939,748	\$ 682,615	\$ 465,207	\$ 462,156	\$ 386,038	\$ 281,122	\$ 3,216,886	\$ 687,611	\$ 544,377	\$ -	\$ 1,231,988	\$ 4,448,874
Payroll taxes and employee benefits	235,866	153,802	100,961	67,894	97,636	61,983	718,142	157,897	120,152	-	278,049	996,191
Collaborations - publications and research	405,250	150,000	122,750	-	15,000	10,000	703,000	-	-	-	-	703,000
Professional and consulting fees	87,195	47,165	84,671	23,287	23,218	326,756	592,292	189,191	22,938	-	212,129	804,421
Occupancy	190,610	134,466	88,271	87,235	68,783	4,019	573,384	131,740	106,227	-	237,967	811,351
Travel	113,102	33,941	61,947	10,998	15,875	52,985	288,848	58,290	28,030	-	86,320	375,168
Supplies and office expense	9,450	6,832	4,478	3,629	3,423	5,710	33,522	12,493	4,716	-	17,209	50,731
Meetings and conferences	8,392	3,431	8,329	1,223	1,607	5,013	27,995	51,261	2,184	-	53,445	81,440
Depreciation and amortization	13,948	9,801	6,462	6,401	4,984	-	41,596	9,612	7,780	-	17,392	58,988
Telecommunications	18,367	11,342	7,485	7,228	5,866	1,104	51,392	13,910	11,674	-	25,584	76,976
Utilities	8,438	6,043	3,902	3,821	3,159	-	25,363	5,903	4,688	-	10,591	35,954
Printing and reproduction	5,582	4,645	2,543	2,411	2,050	3,408	20,639	6,179	16,057	-	22,236	42,875
Postage and delivery	2,789	1,551	1,959	1,161	780	1,133	9,373	3,465	3,361	-	6,826	16,199
Dues and subscriptions	35,242	29,286	5,426	2,567	3,713	1,351	77,585	21,144	6,859	-	28,003	105,588
Computer expense	11,614	4,250	3,891	4,267	2,990	2,200	29,212	20,906	11,860	-	32,766	61,978
Repairs and maintenance	10,197	7,361	4,712	4,591	3,891	8	30,760	6,908	5,421	-	12,329	43,089
Events	-	-	-	-	-	-	-	-	-	144,638	144,638	144,638
Other	26,021	13,072	22,886	11,271	28,338	1,407	102,995	61,991	14,541	-	76,532	179,527
Total expenses	2,121,811	1,299,603	995,880	700,140	667,351	758,199	6,542,984	1,438,501	910,865	144,638	2,494,004	9,036,988
Less expenses included with support and other revenue on the statement of activities	-	-	-	-	-	-	-	-	-	(144,638)	(144,638)	(144,638)
Total expenses included in the expenses section on the statement of activities	\$ 2,121,811	\$ 1,299,603	\$ 995,880	\$ 700,140	\$ 667,351	\$ 758,199	\$ 6,542,984	\$ 1,438,501	\$ 910,865	\$ -	\$ 2,349,366	\$ 8,892,350

See accompanying notes.

DEMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 10,974,419	\$ (1,444,804)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	77,265	58,988
Amortization of deferred rent	(84,439)	(63,317)
Discount on contributions receivable	308,801	-
(Increase) decrease in assets		
Contributions receivable	(12,495,050)	1,379,015
Other receivables	30,505	(12,869)
Prepaid expenses	134,585	(36,974)
Security deposits	(2,043)	(3,369)
Increase (decrease) in liabilities		
Accounts payable	16,284	76,837
Security deposit payable	(3,550)	1,800
Accrued expenses	31,839	46,244
Grants payable	(70,000)	97,500
Refundable advance	125,470	-
Deferred revenue	14,019	(4,144)
Net cash flows from operating activities	(941,895)	94,907
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and leasehold improvements	(5,584)	(70,541)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease payable payments	(40,015)	(39,223)
Net change in cash	(987,494)	(14,857)
Cash and cash equivalents - beginning of year	2,402,328	2,417,185
Cash and cash equivalents - end of year	<u>\$ 1,414,834</u>	<u>\$ 2,402,328</u>

See accompanying notes.

DEMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Dēmos is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets - Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

Temporarily restricted net assets - Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

Permanently restricted net assets - Net assets that have been restricted by donors to be maintained by Dēmos in perpetuity.

Cash and Cash Equivalents

For financial presentation purposes, Dēmos consider 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 revenue upon the receipt of cash or unconditional pledges. Contributions are considered available for unrestricted use, 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 a single year are discounted at an interest rate commensurate with risk involved if material to the financial statements. Amounts received but not earned are reported as a refundable advance.

Equipment and Leasehold Improvements

Equipment and leasehold improvements are stated at their original costs or at their fair values at the dates of donation. Depreciation is provided using the straight-line method over the estimated useful lives of 4 to 10 years. Expenditures for leasehold improvements are capitalized and amortized 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 website to be used internally are capitalized and amortized using the straight-line method.

DEMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Rent Liability

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 period, is reported as a deferred rent liability in the accompanying statements of financial position.

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 under Section 509(a)(2).

Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a 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.

Honorarium and Other Revenue

Honorarium, book sales, management fees and rental revenue are recognized based upon services rendered in accordance with contractual provisions.

Expense Allocation

The costs of providing Dēmos' various program services and supporting activities have been summarized on a functional basis in the accompanying statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities in reasonable ratios determined by management.

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.

Date of Management's Review

Management has evaluated subsequent events through October 28, 2016, the date which the financial statements were available to be issued.

DEMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

Dēmos maintains its cash with three major banking institutions in amounts which, from time to time, may be in excess of federal insurance limits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2016 and 2015, Dēmos uninsured cash balances per bank statements amounted to \$499,709 and \$2,131,797.

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2016 and 2015 consisted of the following:

	2016	2015
Contributions receivable in less than one year	\$ 9,209,410	\$ 1,564,360
Contributions receivable in one to five years	5,000,000	150,000
Total contributions receivable	14,209,410	1,714,360
Less discount to net present value	(308,801)	-
Contributions receivable - net	\$ 13,900,609	\$ 1,714,360

Contributions receivable in one to five years are discounted at 3.73%.

NOTE 4 – EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Equipment and leasehold improvements at June 30, 2016 and 2015 consisted of the following:

	2016	2015
Equipment	\$ 140,494	\$ 134,910
Leasehold improvements	33,574	33,574
Website development	117,951	117,951
Furniture and fixtures	7,940	7,940
Capital lease	138,102	138,102
Equipment and leasehold improvements	438,061	432,477
Less accumulated depreciation	(356,123)	(278,858)
Equipment and leasehold improvements - net	\$ 81,938	\$ 153,619

DEMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 5 – CAPITAL LEASE

Dēmos leases office equipment under a non-cancelable lease arrangement which is classified as a capital lease. The related cost and accumulated depreciation are included with equipment and leasehold improvements in the accompanying statements of financial position at June 30, 2016 and 2015 as follows:

	2016	2015
Capital lease	\$ 138,102	\$ 138,102
Less accumulated depreciation	(119,990)	(92,369)
Capital lease - net	\$ 18,112	\$ 45,733

Future minimum payments under the capital lease together with the present value of the net minimum lease payments are reported as lease payable in the accompanying statements of financial position as follows:

2017	\$ 27,328
Less amount representing interest	(204)
Lease payable	\$ 27,124

NOTE 6 – LINE OF CREDIT

Dēmos has a \$1,000,000 line of credit with a bank. The line is secured by the general business assets and carries interest at LIBOR plus 4.293%. It expires on October 1, 2017. There was no outstanding balance at June 30, 2016 and 2015.

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2016 and 2015 are available for the following purposes or periods:

	2016	2015
Freedom to Vote	\$ 693,943	\$ 1,059,222
Upward Mobility Program	280,035	510,949
Money in Politics Program	678,500	526,393
Fellows Program	27,410	-
New Economic Paradigm	55,000	144,530
Affiliated Programs	353,281	676,278
Subsequent years	5,477,866	588,333
Racial Equity	63,461	237,400
Democracy Project	625,000	100,000
Capacity Building	6,200,000	-
Temporarily restricted net assets	\$ 14,454,496	\$ 3,843,105

DEMOS: A NETWORK FOR IDEAS AND ACTION, LTD.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 8 – DONATED SERVICES

Dēmos received donated legal services during the years ended June 30, 2016 and 2015 of \$54,426 and \$1,502, respectively. These amounts have been included with professional and consulting fees in the statements of functional expenses and allocated to management and general.

NOTE 9 – OPERATING LEASES

Dēmos has leases for the use of office facilities which expire January 1, 2017. Dēmos also sub-leases a portion of the office facilities to several unrelated not-for-profit organizations. In July 2016, Dēmos entered into a new operating lease for the use of office facilities which will begin December 1, 2017 and expire May 31, 2027. Certain leases are subject to escalations for increases in real estate taxes and other operating expenses. As of June 30, 2016, minimum future obligations under the lease, net of amounts from sub-lease, are as follows:

	Amount	Sub-lease Amount	Net Amount
2017	\$ 574,218	\$ 5,400	\$ 568,818
2018	648,038	-	648,038
2019	766,186	-	766,186
2020	781,510	-	781,510
2021	797,140	-	797,140
Thereafter	5,344,222	-	5,344,222
Total	<u>\$ 8,911,314</u>	<u>\$ 5,400</u>	<u>\$ 8,905,914</u>

Rent expense for fiscal years 2016 and 2015 was \$824,799 and \$811,351.

In lieu of providing the security deposit of \$247,500 for the new office space, the landlord required Dēmos to set up a letter of credit with the bank to hold the security deposit amount. The letter of credit has an annual interest rate of 1%.

NOTE 10 – RETIREMENT PLAN

Dēmos maintains a contributory, defined-contribution 401(k) plan covering all employees who meet specific eligibility requirements. The plan is an elective, deferred-salary arrangement. Dēmos may contribute to the 401(k) plan on behalf of the employees, at the discretion of the Board of Directors. During fiscal years 2016 and 2015, Dēmos' contributions into the 401(k) plan, on behalf of active employees totaled \$47,237 and \$43,635.