

FINANCIAL STATEMENTS



**FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2019**

CENTER FOR DEMOCRACY AND TECHNOLOGY

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Center for Democracy and Technology
Washington, D.C.

We have audited the accompanying financial statements of the Center for Democracy and Technology (CDT), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and change in net assets, 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 of 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 CDT as of December 31, 2020, and the change 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.

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Report on Summarized Comparative Information

We have previously audited CDT's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman Rosenberg & Friedman

May 7, 2021

CENTER FOR DEMOCRACY AND TECHNOLOGY
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

ASSETS		<u>2020</u>	<u>2019</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	3,918,029	\$ 2,705,301
Investments		-	127,404
Grants receivable		1,770,000	1,366,858
Prepaid expenses		<u>14,786</u>	<u>110,758</u>
Total current assets		<u>5,702,815</u>	<u>4,310,321</u>
PROPERTY AND EQUIPMENT			
Furniture, fixtures and equipment		739,094	739,094
Less: Accumulated depreciation		<u>(672,701)</u>	<u>(641,742)</u>
Net property and equipment		<u>66,393</u>	<u>97,352</u>
OTHER ASSETS			
Grants receivable, net		<u>-</u>	<u>950,119</u>
TOTAL ASSETS	\$	<u>5,769,208</u>	\$ <u>5,357,792</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Loan payable	\$	415,390	\$ -
Accounts payable and accrued liabilities		191,941	248,813
Deferred revenue		58,000	329,200
Deferred rent		<u>44,142</u>	<u>29,859</u>
Total current liabilities		<u>709,473</u>	<u>607,872</u>
LONG-TERM LIABILITIES			
Deferred rent, net of current portion		457,828	501,970
Loan payable, net of current portion		<u>135,704</u>	<u>-</u>
Total long-term liabilities		<u>593,532</u>	<u>501,970</u>
Total liabilities		<u>1,303,005</u>	<u>1,109,842</u>
NET ASSETS			
Net assets without donor restrictions		1,578,822	(12,644)
Net assets with donor restrictions		<u>2,887,381</u>	<u>4,260,594</u>
Total net assets		<u>4,466,203</u>	<u>4,247,950</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>5,769,208</u>	\$ <u>5,357,792</u>

See accompanying notes to financial statements.

CENTER FOR DEMOCRACY AND TECHNOLOGY
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Contributions	\$ 3,064,834	\$ -	\$ 3,064,834	\$ 2,282,846
Grants	-	1,979,588	1,979,588	6,090,366
TechProm contributions	788,100	-	788,100	867,460
Contributed services and materials	721,286	-	721,286	-
TechProm registration and sponsorship revenue	10,700	-	10,700	261,030
Other revenue	64,148	-	64,148	196,456
Investment income	251	-	251	14,584
Net assets released from donor restrictions	<u>3,352,801</u>	<u>(3,352,801)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>8,002,120</u>	<u>(1,373,213)</u>	<u>6,628,907</u>	<u>9,712,742</u>
EXPENSES				
Program Services:				
Privacy and Data	1,698,728	-	1,698,728	2,042,905
Security and Surveillance	597,350	-	597,350	554,199
Free Expression	1,108,799	-	1,108,799	706,726
Internet Architecture	646,688	-	646,688	574,287
Communications	224,012	-	224,012	296,250
Open Internet	174,280	-	174,280	277,149
VotingWorks	-	-	-	1,554,779
EU Office	<u>122,741</u>	<u>-</u>	<u>122,741</u>	<u>90,202</u>
Total program services	<u>4,572,598</u>	<u>-</u>	<u>4,572,598</u>	<u>6,096,497</u>
Supporting Services:				
Management and General	1,251,378	-	1,251,378	558,302
Fundraising	<u>586,678</u>	<u>-</u>	<u>586,678</u>	<u>882,138</u>
Total supporting services	<u>1,838,056</u>	<u>-</u>	<u>1,838,056</u>	<u>1,440,440</u>
Total expenses	<u>6,410,654</u>	<u>-</u>	<u>6,410,654</u>	<u>7,536,937</u>
Change in net assets	1,591,466	(1,373,213)	218,253	2,175,805
Net assets at beginning of year	<u>(12,644)</u>	<u>4,260,594</u>	<u>4,247,950</u>	<u>2,072,145</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,578,822</u>	<u>\$ 2,887,381</u>	<u>\$ 4,466,203</u>	<u>\$ 4,247,950</u>

CENTER FOR DEMOCRACY AND TECHNOLOGY

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

	2020							
	Program Services							Total
	Privacy and Data	Security and Surveillance	Free Expression	Internet Architecture	Communications	Open Internet	EU Office	Program Services
Salaries	\$ 890,351	\$ 362,116	\$ 720,993	\$ 397,003	\$ 122,364	\$ 112,266	\$ 26,385	\$ 2,631,478
Benefits	163,116	66,322	131,236	71,458	22,283	20,779	4,212	479,406
Professional services	422,070	88,480	92,889	70,162	35,309	11,472	67,243	787,625
TechProm and galas	-	-	-	-	-	-	-	-
Travel, conferences and events	13,520	1,709	2,098	4,973	833	4,421	-	27,554
Books, dues and subscriptions	6,852	2,485	6,852	20,321	1,107	548	1,651	39,816
Occupancy costs	163,193	66,587	130,747	72,731	22,736	21,332	17,394	494,720
Office equipment, software and phone	14,883	4,895	16,221	5,305	15,537	1,654	3,680	62,175
Office operations	2,318	833	895	538	365	225	151	5,325
Printing postage and delivery	1,570	622	1,104	560	2,231	236	-	6,323
Miscellaneous fees	19,997	2,891	5,141	3,034	1,001	1,087	1,594	34,745
Insurance	858	410	623	603	246	260	431	3,431
TOTAL	\$ 1,698,728	\$ 597,350	\$ 1,108,799	\$ 646,688	\$ 224,012	\$ 174,280	\$ 122,741	\$ 4,572,598

See accompanying notes to financial statements.

CENTER FOR DEMOCRACY AND TECHNOLOGY

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

	2020 (Continued)			2019	
	Supporting Services			Total Expenses	Total Expenses
	Management and General	Fundraising	Total Supporting Services		
Salaries	\$ 304,074	\$ 262,131	\$ 566,205	\$ 3,197,683	\$ 3,310,880
Benefits	53,356	48,292	101,648	581,054	612,016
Professional services	817,172	49,377	866,549	1,654,174	1,981,510
TechProm and galas	-	162,607	162,607	162,607	379,524
Travel, conferences and events	2,360	643	3,003	30,557	280,117
Books, dues and subscriptions	6,984	5,260	12,244	52,060	28,561
Occupancy costs	53,176	48,518	101,694	596,414	609,723
Office equipment, software and phone	3,852	6,415	10,267	72,442	166,634
Office operations	1,861	428	2,289	7,614	98,048
Printing postage and delivery	696	482	1,178	7,501	18,837
Miscellaneous fees	2,370	2,180	4,550	39,295	38,997
Insurance	5,477	345	5,822	9,253	12,090
TOTAL	\$ 1,251,378	\$ 586,678	\$ 1,838,056	\$ 6,410,654	\$ 7,536,937

See accompanying notes to financial statements.

CENTER FOR DEMOCRACY AND TECHNOLOGY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 218,253	\$ 2,175,805
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	30,959	43,303
Realized gain on investments	-	(9,261)
Unrealized gain on investments	-	(3,052)
Change in discount on long-term grants receivable	(49,881)	49,881
Proceeds from the sale of contributed securities	-	260,546
Decrease (increase) in:		
Grants receivable	596,858	(880,213)
Prepaid expenses	95,972	(32,566)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(56,872)	(51,786)
Deferred revenue	(271,200)	197,700
Deferred rent abatement	<u>(29,859)</u>	<u>(15,963)</u>
Net cash provided by operating activities	<u>534,230</u>	<u>1,734,394</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturities of certificates of deposit	<u>127,404</u>	<u>-</u>
Net cash provided by investing activities	<u>127,404</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	<u>551,094</u>	<u>-</u>
Net cash provided by financing activities	<u>551,094</u>	<u>-</u>
Net increase in cash and cash equivalents	1,212,728	1,734,394
Cash and cash equivalents at beginning of year	<u>2,705,301</u>	<u>970,907</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,918,029</u>	<u>\$ 2,705,301</u>

CENTER FOR DEMOCRACY AND TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Center for Democracy and Technology (CDT) works to strengthen individual rights and freedoms by defining, promoting, and influencing technology policy and the architecture of the Internet that impacts our daily lives. CDT preserves the unique nature of the Internet, enhances freedom of expression globally, protects the fundamental right to privacy, limits government surveillance and defines the boundaries of technology in our daily lives.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors 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 revenue 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 and Change in Net Assets as net assets released from donor restrictions.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with CDT's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Cash and cash equivalents -

CDT considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, CDT maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment income, which is presented net of investment expenses paid to external investment advisors in the accompanying Statement of Activities and Change in Net Assets.

CENTER FOR DEMOCRACY AND TECHNOLOGY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Investments (continued) -

Investments acquired by gift are recorded at their fair value at the date of the gift. CDT's policy is to liquidate all gifts of investments as soon as possible after the gift.

Grants receivable -

Grants receivable is recorded at its net realizable value, which approximates fair value. All grants and accounts receivable are considered by management to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Property and equipment -

Property and equipment in excess of \$2,500 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to ten years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense for the year ended December 31, 2020, totaled \$30,959.

Contributions and grants -

CDT receives contributions and grants from individuals and other private entities. These awards are for various activities performed by CDT. Contributions and grants are recognized in the appropriate category of net assets in the period received. CDT performs an analysis of the individual contribution and grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Contributions and grants qualifying as contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements. For contributions and grants treated as contributions, CDT had no unrecognized conditional awards as of December 31, 2020.

Registration and sponsorship revenue -

Revenue received for conference and meeting registrations is recorded as revenue when the related event has occurred. Revenue received in advance for conference and meeting registrations is recorded as deferred revenue within the Statement of Financial Position. Sponsors receive an allotted amount of tickets to the annual TechProm conference based on their sponsorship level. Sponsorship revenue has been bifurcated amongst this benefit and recorded as registration revenue when the performance obligations are met which is when the related event has occurred. The transaction price is determined based on cost and/or sales price. The remaining amount of sponsorship revenue received is considered a contribution and is recognized upon receipt.

CENTER FOR DEMOCRACY AND TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Income taxes -

CDT is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. CDT is not a private foundation.

Uncertain tax positions -

For the year ended December 31, 2020, CDT has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Deferred revenue -

Deferred revenue consists of TechProm registrations and sponsorships. CDT recognizes TechProm registrations and sponsorships revenue when the related event has occurred.

Use of estimates -

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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses directly attributed to a specific functional area of CDT are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

New accounting pronouncement (not yet adopted) -

ASU 2019-01, *Leases* (Topic 842), changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

CENTER FOR DEMOCRACY AND TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

New accounting pronouncement (not yet adopted) (continued) -

CDT plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact CDT's operations. The overall potential impact is unknown at this time.

2. **LOAN PAYABLE**

On April 15, 2020, CDT received loan proceeds in the amount of \$551,094 under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part. CDT used the proceeds for purposes consistent with the Paycheck Protection Program and believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan. CDT has applied for forgiveness after completing the 24-week period. On January 22, 2021, forgiveness was granted and CDT will record revenue from the debt extinguishment during the year ended December 31, 2021.

Principal payments as stated in the promissory note are due as follows unless otherwise forgiven:

Year Ending December 31,

2021	\$	415,390
2022		<u>135,704</u>
	\$	<u>551,094</u>

3. **NET ASSETS WITH DONOR RESTRICTIONS**

At December 31, 2020, net assets with donor restrictions consisted of the following:

Subject to expenditure for specified purpose:		
Privacy and Data	\$	62,533
Security and Surveillance		33,334
Internet Architecture		43,535
Free Expression		2,079,629
Subject to passage of time		<u>668,350</u>
NET ASSETS WITH DONOR RESTRICTIONS	\$	<u>2,887,381</u>

CENTER FOR DEMOCRACY AND TECHNOLOGY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

4. NET ASSETS RELEASED FROM RESTRICTIONS

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors during the year ended December 31, 2020:

Purpose restrictions accomplished:	
Privacy and Data	\$ 1,238,354
Security and Surveillance	108,329
Internet Architecture	212,668
Free Expression	882,594
Timing restrictions accomplished	<u>910,856</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 3,352,801</u>

5. LIQUIDITY

Financial assets available for use within one year of the Statement of Financial Position comprise the following:

Cash and cash equivalents	\$ 3,918,029
Grants receivable	<u>1,770,000</u>
Subtotal financial assets available within one year	5,688,029
Less: Net assets with donor restrictions subject to expenditure	<u>(2,219,031)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURE WITHIN ONE YEAR	<u>\$ 3,468,998</u>

CDT is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, CDT must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of CDT's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

6. CONFERENCE COMMITMENTS

CDT has a contract with a venue for the 2021 Tech Prom conference. The total commitments under the agreements are not determinable as it depends upon attendance and other unknown factors. There are cancellation penalties that would be due if the agreements were cancelled prior to the event date. The amount of the cancellation penalties increase through the date of the event.

7. LEASE COMMITMENT

On November 6, 2015, CDT entered into an eleven-year agreement to lease new office space, commencing February 1, 2016. Base rent is \$518,332 per year, increasing by a factor of 2.5% per year. The lease agreement includes provisions whereas the base rent was abated during the first twelve months.

CENTER FOR DEMOCRACY AND TECHNOLOGY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

7. LEASE COMMITMENT (Continued)

During the year ended December 31, 2016, CDT obtained a letter of credit totaling \$125,803. The terms under the lease that began during that year stipulate that CDT maintain this letter of credit in lieu of a security deposit.

CDT also leases office space in Brussels, Belgium on a month-to-month basis.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent on the Statement of Financial Position.

The following is a schedule of future minimum rental payments under all leases:

Year Ending December 31.

2021	\$ 585,263
2022	599,851
2023	614,915
2024	630,292
2025	646,056
Thereafter	<u>717,413</u>
	<u>\$ 3,793,790</u>

Rent and storage expense, included in occupancy costs in the accompanying Statement of Functional Expenses, totaled \$565,455 for the year ended December 31, 2020. The deferred rent liability was \$501,970 as of December 31, 2020.

8. RETIREMENT PLAN

CDT maintains a 403(b) retirement plan covering all employees who have completed one year of service. CDT contributes up to six percent of compensation on behalf of each active participant. Pension expense, included in benefits in the accompanying Statement of Functional Expenses, totaled \$119,722 for the year ended December 31, 2020.

9. SUBSEQUENT EVENTS

In preparing these financial statements, CDT has evaluated events and transactions for potential recognition or disclosure through May 7, 2021, the date the financial statements were issued.