

FINANCIAL STATEMENTS



**FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2014**

CENTER FOR LAW AND SOCIAL POLICY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Center for Law and Social Policy
Washington, D.C.

We have audited the accompanying financial statements of the Center for Law and Social Policy (CLASP), which comprise the statement of financial position as of December 31, 2015, 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 CLASP as of December 31, 2015, 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 CLASP's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 6, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman Rosenberg & Freedman

May 18, 2016

CENTER FOR LAW AND SOCIAL POLICY
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014

ASSETS

	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,419,030	\$ 3,945,561
Investments	287,146	287,257
Receivables:		
Grants receivable, current portion	1,414,289	3,525,087
Other	126,272	13,322
Prepaid expenses	<u>183,817</u>	<u>70,825</u>
Total current assets	<u>5,430,554</u>	<u>7,842,052</u>
FURNITURE AND EQUIPMENT		
Furniture and equipment	357,889	305,055
Less: Accumulated depreciation and amortization	<u>(215,681)</u>	<u>(176,712)</u>
Net furniture and equipment	<u>142,208</u>	<u>128,343</u>
NON-CURRENT ASSETS		
Grants receivable, net of current portion	497,044	108,531
Deposits	<u>39,160</u>	<u>39,160</u>
Total non-current assets	<u>536,204</u>	<u>147,691</u>
TOTAL ASSETS	<u>\$ 6,108,966</u>	<u>\$ 8,118,086</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Capital lease obligation, current portion	\$ 23,484	\$ 20,721
Accounts payable and accrued liabilities	208,869	139,906
Accrued salaries and related benefits	162,729	156,796
Current portion of deferred rent abatement	<u>18,984</u>	<u>-</u>
Total current liabilities	<u>414,066</u>	<u>317,423</u>
NON-CURRENT LIABILITIES		
Capital lease obligation, long-term portion	76,690	100,174
Deferred rent abatement	<u>155,221</u>	<u>182,235</u>
Total non-current liabilities	<u>231,911</u>	<u>282,409</u>
Total liabilities	<u>645,977</u>	<u>599,832</u>
NET ASSETS		
Unrestricted	1,062,582	862,582
Temporarily restricted	<u>4,400,407</u>	<u>6,655,672</u>
Total net assets	<u>5,462,989</u>	<u>7,518,254</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,108,966</u>	<u>\$ 8,118,086</u>

See accompanying notes to financial statements.

CENTER FOR LAW AND SOCIAL POLICY

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE				
Foundation grants	\$ 318,000	\$ 3,744,435	\$ 4,062,435	\$ 8,896,310
Contributions	46,222	144,000	190,222	39,178
Investment income	949	-	949	17,237
Conference	-	-	-	22,625
Other revenue	19,659	-	19,659	27,076
Net assets released from donor restrictions	<u>6,143,700</u>	<u>(6,143,700)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>6,528,530</u>	<u>(2,255,265)</u>	<u>4,273,265</u>	<u>9,002,426</u>
EXPENSES				
Program Services	<u>5,797,079</u>	<u>-</u>	<u>5,797,079</u>	<u>5,436,072</u>
Supporting Services:				
Management and General	119,253	-	119,253	194,980
Fundraising	<u>420,217</u>	<u>-</u>	<u>420,217</u>	<u>219,396</u>
Total supporting services	<u>539,470</u>	<u>-</u>	<u>539,470</u>	<u>414,376</u>
Total expenses	<u>6,336,549</u>	<u>-</u>	<u>6,336,549</u>	<u>5,850,448</u>
Change in net assets before other item	191,981	(2,255,265)	(2,063,284)	3,151,978
OTHER ITEM				
Provision for deferred rent abatment	<u>8,019</u>	<u>-</u>	<u>8,019</u>	<u>(2,658)</u>
Change in net assets	200,000	(2,255,265)	(2,055,265)	3,149,320
Net assets at beginning of year	<u>862,582</u>	<u>6,655,672</u>	<u>7,518,254</u>	<u>4,368,934</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,062,582</u>	<u>\$ 4,400,407</u>	<u>\$ 5,462,989</u>	<u>\$ 7,518,254</u>

CENTER FOR LAW AND SOCIAL POLICY

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	2015				2014	
	Supporting Services			Total Supporting Services	Total Expenses	Total Expenses
	Program Services	Management and General	Fundraising			
Salaries	\$ 1,965,270	\$ 473,212	\$ 219,992	\$ 693,204	\$ 2,658,474	\$ 2,323,452
Benefits	400,763	137,576	-	137,576	538,339	470,965
Payroll taxes	150,160	51,357	-	51,357	201,517	178,745
Occupancy	340,198	136,361	-	136,361	476,559	462,371
Contributions	700	200	-	200	900	2,915
Supplies	21,661	8,680	75	8,755	30,416	28,160
Postage and delivery	3,323	1,225	1,783	3,008	6,331	5,929
Printing and production	2,986	1,475	-	1,475	4,461	2,184
Meetings and conventions	193,997	14,407	-	14,407	208,404	180,511
Consulting fees	1,597,011	(37,524)	84,800	47,276	1,644,287	1,665,636
Professional fees	190,313	55,599	14,508	70,107	260,420	230,722
Telephone	44,916	14,749	-	14,749	59,665	70,910
Travel and entertainment	115,485	3,195	48	3,243	118,728	106,536
Subscriptions and publications	4,623	7,243	-	7,243	11,866	11,270
Depreciation and amortization	29,489	9,481	-	9,481	38,970	41,448
Dues and registration	17,896	(2,236)	16,598	14,362	32,258	9,797
Repairs and maintenance	5,349	4,174	-	4,174	9,523	17,530
Insurance	8,872	2,953	-	2,953	11,825	11,911
Interest expense	10,554	3,782	-	3,782	14,336	12,467
Other	5,775	(4,582)	5,634	1,052	6,827	10,838
Bank fees	28	-	-	-	28	95
Equipment	1,812	603	-	603	2,415	6,056
Subtotal	5,111,181	881,930	343,438	1,225,368	6,336,549	5,850,448
Allocation of management and general	685,898	(762,677)	76,779	(685,898)	-	-
TOTAL	\$ 5,797,079	\$ 119,253	\$ 420,217	\$ 539,470	\$ 6,336,549	\$ 5,850,448

CENTER FOR LAW AND SOCIAL POLICY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (2,055,265)	\$ 3,149,320
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	38,970	41,448
Realized and unrealized loss (gain) on investments	9,141	(7,084)
Gain on disposition of assets/termination of capital lease, net	-	(6,956)
(Increase) decrease in:		
Grants receivable	1,722,285	(1,376,589)
Other receivables	(112,950)	8,350
Prepaid expenses	(112,992)	44,226
Increase (decrease) in:		
Accounts payable and accrued liabilities	68,963	71,495
Accrued salaries and related benefits	5,933	(44,992)
Deferred rent abatement	<u>(8,030)</u>	<u>2,658</u>
Net cash (used) provided by operating activities	<u>(443,945)</u>	<u>1,881,876</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(52,835)	(8,959)
Purchases of investments	<u>(9,030)</u>	<u>(9,221)</u>
Net cash used by investing activities	<u>(61,865)</u>	<u>(18,180)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital lease obligations	<u>(20,721)</u>	<u>(11,487)</u>
Net cash used by financing activities	<u>(20,721)</u>	<u>(11,487)</u>
Net (decrease) increase in cash and cash equivalents	(526,531)	1,852,209
Cash and cash equivalents at beginning of year	<u>3,945,561</u>	<u>2,093,352</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,419,030</u>	<u>\$ 3,945,561</u>
SUPPLEMENTAL INFORMATION		
Interest Paid	<u>\$ 14,336</u>	<u>\$ 12,467</u>
SCHEDULE OF NONCASH FINANCING TRANSACTIONS		
Capital Lease Obligation Incurred for Use of Equipment	<u>\$ -</u>	<u>\$ 128,563</u>

CENTER FOR LAW AND SOCIAL POLICY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Center for Law and Social Policy (CLASP) is a non-profit organization, incorporated under the laws of the District of Columbia. CLASP was established to concentrate on meeting the problems of minorities and the poor through education, research and legal representation.

Currently, CLASP undertakes education, policy research, training, technical assistance, analyses and reports for use by advocates, non-profit organizations, Federal, state and local officials and research and evaluation entities; these are developed to improve lives of low-income children, youth, adults and families.

Basis of accounting -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

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 CLASP's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Cash and cash equivalents -

CLASP 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, CLASP 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. Realized and unrealized gains and losses are included in investment income in the Statement of Activities and Change in Net Assets.

Grants receivable -

Grants receivable approximate fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Furniture and equipment -

Furniture and equipment in excess of \$1,000 are capitalized and are recorded at cost. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets, ranging from three to ten years. Amortization of assets held under capital leases is included with depreciation expense. The cost of maintenance and repairs is recorded as expenses are incurred.

CENTER FOR LAW AND SOCIAL POLICY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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

Net assets -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of CLASP and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of CLASP and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.

Contributions and grants -

Contributions and grants are recorded as revenue in the year notification is received from the donor.

Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions.

Such contributions and grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

Income taxes -

CLASP is exempt from Federal 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. CLASP is not a private foundation.

Uncertain tax positions -

For the year ended December 31, 2015, CLASP 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.

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.

CENTER FOR LAW AND SOCIAL POLICY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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

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.

Risks and uncertainties -

CLASP invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Fair value measurement -

CLASP adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurement. CLASP accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

2. **INVESTMENTS**

Investments consisted of the following at December 31, 2015:

	<u>Cost</u>	<u>Fair Value</u>
Fixed Income Fund	\$ <u>244,760</u>	\$ <u>287,146</u>

Included in investment income are the following:

Interest and dividends	\$ 10,090
Unrealized loss	<u>(9,141)</u>
TOTAL INVESTMENT INCOME	\$ <u>949</u>

3. **PENSION PLAN**

CLASP has a defined contribution retirement plan, which covers all eligible employees. Employer contributions are discretionary. Total contributions to the plan for the year ended December 31, 2015 were \$183,372.

CENTER FOR LAW AND SOCIAL POLICY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

4. GRANTS RECEIVABLE

All grants receivable are considered to be collectable within one year unless otherwise stated by the donor. Management is of the opinion that all grants receivable are collectable.

Following is a summary, by years, of grants receivable as of December 31, 2015:

<u>Year Ending December 31,</u>	
2016	\$ 1,414,289
2017	416,346
2018	<u>100,000</u>
	1,930,635
Less: Discount on long-term receivables	<u>(19,302)</u>
GRANTS RECEIVABLE, NET	<u>\$ 1,911,333</u>

5. COMMITMENTS

In December 2009, CLASP signed a lease for office space under a ten-year agreement, which commenced in May 2010. Base rent is \$41,463 per month, increasing by a factor of 2% per year, plus a proportionate share of expenses. Rent for May and June 2010 was abated. 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 liability in the Statement of Financial Position. The current and long-term portion of deferred rent for the year ended December 31, 2015, was \$18,984 and \$155,221, respectively.

At December 31, 2015, the future minimum rental payments required under these lease is as follows:

<u>Year Ending December 31,</u>	
2016	\$ 556,618
2017	567,767
2018	579,218
2019	590,746
2020	<u>299,271</u>
	<u>\$ 2,593,620</u>

In May 2010, CLASP entered into two sublease agreements, with CLASP acting as the sub-landlord for both. Both sub-leases are on a month-to-month basis.

Rent expense for the year ended December 31, 2015 totaled \$476,559, net of rental income of \$73,105.

CENTER FOR LAW AND SOCIAL POLICY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

6. CAPITAL LEASES

In 2011, CLASP entered into two capital lease obligations for copiers due to expire in 2016. During 2014, CLASP returned the copiers and replaced them with two new copiers under new capital leases due to expire in 2019.

As of December 31, 2015, the cost and related accumulated amortization of the leased assets were \$128,563 and \$42,854, respectively.

Future minimum lease payments at December 31, 2015 are as follows:

<u>Year Ending December 31,</u>			
2016	\$	34,788	
2017		34,788	
2018		34,788	
2019		<u>20,758</u>	
		125,122	
Less: Interest		<u>(24,948)</u>	
		100,174	
Less: Current portion		<u>(23,484)</u>	
LONG-TERM PORTION	\$	<u>76,690</u>	

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2015:

Brandeis University	\$	12,500
George Gund Foundation		100,000
Chabot-Las Positas Community College District		150,000
Gates Foundation		300,001
Alliance for Early Success		225,000
Ford Foundation		321,852
Achieving the Dream		100,000
Kresge Foundation		172,151
Corporation for Skilled Workforce		74,583
W. K. Kellogg Foundation		196,810
Fidelity Charitable Trust		1,034,630
JP Morgan Chase Foundation		290,656
The City of New York		20,000
James Irvine Foundation		26,633
Northwest Area Foundation		82,000
Foundation for Child Development		396,380
Center for American Progress		268,608
Butler Family Fund		30,000
New Directions		7,500
Lumina Foundation		112,500
JPB Foundation		300,000
Irving Harris Foundation		20,000
ACLS Fellowship		108,000
Annie Casey Foundation		<u>50,603</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	\$	<u>4,400,407</u>

CENTER FOR LAW AND SOCIAL POLICY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

8. NET ASSETS RELEASED FROM RESTRICTIONS

The following temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors:

Ford Foundation	\$ 400,000
W.K. Kellogg Foundation	100,000
Robert Wood Johnson Foundation	264,350
The Urban Institute	1,586,439
Joyce Foundation	300,000
Center for American Progress	98,333
Fidelity Charitable Trust	1,285,370
Lumina Foundation	25,000
Workforce Enterprise Services	22,800
Irving Harris Foundation	10,000
Early Childhood Funders Collaborative	15,000
Alliance for Early Success	306,667
Annie E. Casey Foundation	279,397
Institute for Higher Education	42,000
Corporation for Skilled Workforce	150,000
New Directions Foundation	7,500
JP Morgan Chase Foundation	200,000
Foundation for Child Development	15,000
Heising-Simons Foundation	80,000
NELP	1,674
American Council on Education	3,000
JPB Foundation	100,000
EOS Foundation	50,000
George Gund Foundation	60,000
University of Washington	12,011
Achieving the Dream	25,800
The Moriah Fund	20,000
Bill and Melinda Gates Foundation	100,000
Foundation for Child Development	50,000
Butler Family Fund	30,000
Lumina Foundation for Education	37,500
Irving Harris Foundation	20,000
Center for American Progress	261,392
Northwest Area Foundation	28,000
James Irvine Foundation	113,467
Washington State DSHS	7,000
ACLS Fellowship	<u>36,000</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	\$ <u>6,143,700</u>

9. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, CLASP has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3)

CENTER FOR LAW AND SOCIAL POLICY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

9. FAIR VALUE MEASUREMENT (Continued)

If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market CLASP has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2015.

- Fixed income fund - Valued at the closing price reported on the active market in which the individual securities are traded.

The table below summarizes, by level within the fair value hierarchy, CLASP's investments as of December 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Fixed Income Fund	\$ <u>287,146</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>287,146</u>

10. SUBSEQUENT EVENTS

In preparing these financial statements, CLASP has evaluated events and transactions for potential recognition or disclosure through May 18, 2016, the date the financial statements were issued.