FINANCIAL STATEMENTS

CLASP
policy solutions that work for low-income people

FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2017

CENTER FOR LAW AND SOCIAL POLICY

CONTENTS

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, 2018, 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, 2018, 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 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 3, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman Rosenberg & Freedman

May 6, 2019

CENTER FOR LAW AND SOCIAL POLICY

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

ASSETS

	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	$ 7,212,152	$ 6,297,417
Receivables:		
Grants receivable, current portion	2,007,224	2,029,240
Other receivables	22,372	11,857
Prepaid expenses	113,233	114,076
Other current assets	4,757	-
Total current assets	9,359,738	8,452,590
FURNITURE AND EQUIPMENT		
Furniture and equipment	326,868	472,548
Less: Accumulated depreciation and amortization	(145,371)	(329,243)
Net furniture and equipment	181,497	143,305
NON-CURRENT ASSETS		
Grants receivable, net of current portion	94,787	502,392
Deposits	39,160	39,160
Total non-current assets	133,947	541,552
TOTAL ASSETS	**$ 9,675,182**	**$ 9,137,447**

LIABILITIES AND NET ASSETS

	2018	2017
CURRENT LIABILITIES		
Capital lease obligation, current portion	$ 23,092	$ 30,170
Accounts payable and accrued liabilities	634,042	109,466
Accrued salaries and related benefits	229,102	181,257
Current portion of deferred rent abatement	53,086	41,584
Total current liabilities	939,322	362,477
NON-CURRENT LIABILITIES		
Capital lease obligation, long-term portion	108,550	19,903
Deferred rent abatement	30,459	83,484
Total non-current liabilities	139,009	103,387
Total liabilities	1,078,331	465,864
NET ASSETS		
Without donor restrictions	1,956,042	1,661,565
With donor restrictions	6,640,809	7,010,018
Total net assets	8,596,851	8,671,583
TOTAL LIABILITIES AND NET ASSETS	**$ 9,675,182**	**$ 9,137,447**

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, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Foundation grants	$ 150,000	$ 8,602,863	$ 8,752,863	$ 7,244,494
Contributions	114,315	-	114,315	146,292
Other revenue	46,955	-	46,955	18,619
Net assets released from donor restrictions	8,972,072	(8,972,072)	-	-
Total support and revenue	9,283,342	(369,209)	8,914,133	7,409,405
EXPENSES				
Program Services	8,057,095	-	8,057,095	6,101,579
Supporting Services:				
Management and General	464,824	-	464,824	245,088
Fundraising	466,946	-	466,946	595,437
Total supporting services	931,770	-	931,770	840,525
Total expenses	8,988,865	-	8,988,865	6,942,104
Change in net assets before other item	294,477	(369,209)	(74,732)	467,301
OTHER ITEM				
Cancellation of funder awards	-	-	-	(201,346)
Change in net assets	294,477	(369,209)	(74,732)	265,955
Net assets at beginning of year	1,661,565	7,010,018	8,671,583	8,405,628
NET ASSETS AT END OF YEAR	**$ 1,956,042**	**$ 6,640,809**	**$ 8,596,851**	**$ 8,671,583**

See accompanying notes to financial statements.

CENTER FOR LAW AND SOCIAL POLICY

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	2018					2017
		Supporting Services				
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salaries	$ 2,712,447	$ 1,103,151	$ 188,014	$ 1,291,165	$ 4,003,612	$ 3,210,604
Payroll taxes	202,579	70,748	25,691	96,439	299,018	267,403
Benefits	486,279	226,298	11,010	237,308	723,587	660,045
Occupancy	364,952	174,351	-	174,351	539,303	551,537
Contributions expense	2,029	7,407	-	7,407	9,436	5,936
Office supplies	4,083	27,873	5,840	33,713	37,796	31,255
Postage and delivery	1,835	2,778	-	2,778	4,613	4,511
Printing and duplication	7,819	11,162	-	11,162	18,981	14,707
Meetings and conferences	250,528	21,596	18,148	39,744	290,272	216,128
Consulting fees	282,146	83,615	109,023	192,638	474,784	511,508
Professional fees	69,073	127,316	-	127,316	196,389	194,840
Subgrants	1,825,806	-	-	-	1,825,806	923,851
Telephone	26,194	19,890	-	19,890	46,084	41,640
Travel	220,220	45,577	-	45,577	265,797	100,883
Publications purchased	7,255	28,858	-	28,858	36,113	46,485
Dues and registration	18,736	17,473	8,019	25,492	44,228	27,582
Repairs and maintenance	18,961	27,712	-	27,712	46,673	18,931
Insurance	9,697	4,753	-	4,753	14,450	14,807
Interest expense	5,512	2,623	-	2,623	8,135	8,171
Depreciation and amortization	54,993	26,974	-	26,974	81,967	63,847
Miscellaneous	12,809	(5,752)	-	(5,752)	7,057	11,920
Temporary help	13,125	1,639	-	1,639	14,764	15,513
Subtotal	6,597,078	2,026,042	365,745	2,391,787	8,988,865	6,942,104
Allocation of management and general	1,460,017	(1,561,218)	101,201	(1,460,017)	-	-
TOTAL	**$ 8,057,095**	**$ 464,824**	**$ 466,946**	**$ 931,770**	**$ 8,988,865**	**$ 6,942,104**

See accompanying notes to financial statements.

CENTER FOR LAW AND SOCIAL POLICY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (74,732)	$ 265,955
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	81,967	63,847
Change in discount on long-term grants receivable	(17,395)	14,475
Gain on termination of capital lease	(42,882)	-
Loss on exchange and disposal of furniture and equipment	27,855	-
Decrease (increase) in:		
Grants receivable	447,015	1,082,281
Other receivables	(10,515)	31,828
Prepaid expenses	843	(13,159)
Other current assets	(4,757)	6,635
Increase (decrease) in:		
Accounts payable and accrued liabilities	524,577	(160,257)
Accrued salaries and related benefits	47,845	5,206
Deferred rent abatement	(41,523)	(30,142)
Net cash provided by operating activities	938,298	1,266,669
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(7,512)	(61,115)
Net cash used by investing activities	(7,512)	(61,115)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital lease obligations	(16,051)	(26,616)
Net cash used by financing activities	(16,051)	(26,616)
Net increase in cash and cash equivalents	914,735	1,178,938
Cash and cash equivalents at beginning of year	6,297,417	5,118,479
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 7,212,152**	**$ 6,297,417**
SUPPLEMENTAL INFORMATION		
Interest Paid	**$ 8,135**	**$ 8,171**
SCHEDULE OF NONCASH FINANCING TRANSACTIONS		
Capital Lease Obligation Incurred for Use of Equipment	**$ 140,502**	**$ -**

See accompanying notes to financial statements.

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 Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14 *Presentation of Financial Statements for Not-for-Profit Entities.* The ASU was adopted for the year ended December 31, 2018 and applied retrospectively.

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, 2017, 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.

Grants receivable -

Grants receivable is recorded at their net realizable value, which approximates fair value. Grants receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in foundation grant revenue.

All grants receivable are considered by management 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.

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

Furniture and equipment (continued) -

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.

Net assets classification -

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net assets without donor restrictions** - Net assets available for use in general operations and not subject to donor (or certain grantor) 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** - Revenue restricted by donors (or certain grantors) 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 Statements of Activities and Changes in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Contributions and grants -

Contributions and grants received without donor restrictions and with donor restrictions are recorded as revenue in the year notification is received from the donor. Contributions and grants with 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.

Such funds in excess of expenses incurred are shown as net assets with donor restriction in the accompanying financial statements.

Income taxes -

CLASP is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Beginning January 1, 2018, it is subject to unrelated business income taxes on qualified transportation fringe benefits provided to its employees.

The amount of the tax for the year ended December 31, 2018 is immaterial. CLASP is not a private foundation.

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

Uncertain tax positions -

For the year ended December 31, 2018, 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.

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 CLASP 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.

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 measurements. CLASP accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassifications are primarily due to the adoption of Accounting Standards Update 2016-14, as discussed above, which requires two classifications of net assets from the previously presented three classes. Net assets previously classified as of December 31, 2017 as unrestricted net assets in the amount of $1,661,565 are now classified as without donor restrictions.

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

Reclassification (continued) -

Net assets previously classified as temporarily restricted net assets in the amount of $7,010,018 are now classified as net assets with donor restrictions.

New accounting pronouncement (not yet adopted) -

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. CLASP has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, Not-for Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. CLASP has not yet decided on a transition method. This ASU is effective for fiscal years beginning after December 15, 2018.

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU 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. The ASU is effective for private entities for years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

CLASP plans to adopt the new ASUs at the respective required implementation dates.

2. GRANTS RECEIVABLE

As of December 31, 2018, contributors to CLASP have made written promises to give, of which $2,107,224 remained due and receivable. Grants due in more than one year have been recorded at the present value of the estimated cash flows, using a discount rate ranging from 4.5% to 5.5%.

2. GRANTS RECEIVABLE (Continued)

Grants are due as follows at December 31, 2018:

Year Ending December 31,	
2019	$ 2,007,224
2020	100,000
	2,107,224
Less: Discount on long-term receivables	(5,213)
GRANTS RECEIVABLE, NET	**$ 2,102,011**

3. CAPITAL LEASES

In 2018, CLASP terminated its capital lease for copiers and entered into a new capital lease obligation for copiers due to expire in 2023. The termination of the old capital lease and disposal of related copiers resulted in a gain of $15,027 which is included in other revenue in the Statement of Financial Position. As of December 31, 2018, the cost and related accumulated amortization of the leased assets was $140,503 and $21,075, respectively.

Future minimum lease payments at December 31, 2018 are as follows:

Year Ending December 31,	
2019	$ 37,176
2020	37,176
2021	37,176
2022	37,176
2023	21,716
	170,420
Less: Interest	(38,778)
	131,642
Less: Current portion	(23,092)
LONG-TERM PORTION	**$ 108,550**

Interest expense for the year ended December 31, 2018 was $8,135.

4. 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, 2018 was $53,086 and $30,459, respectively.

4. COMMITMENTS (Continued)

At December 31, 2018, the future minimum rental payments required under these lease is as follows:

Year Ending December 31,	
2019	$ 590,710
2020	299,271
	$ 889,981

Occupancy expense for the year ended December 31, 2018 totaled $539,303.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2018:

Alliance for Early Success	$ 170,000
Andrus Family Foundation	86,668
Annie E. Casey Foundation	170,000
Ballmer Group	255,000
Center for American Progress	263,750
Chabot-Las Positas Community College District	74,786
Conrad N. Hilton Foundation	208,333
David & Lucile Packard Foundation	270,000
Silicon Valley Community Foundation	85,000
Family Values at Work	16,250
Ford Foundation	831,776
George Gund Foundation	90,000
Heising-Simons Foundation	550,000
Irving Harris Foundation	56,667
James Irvine Foundation	130,000
JP Morgan Chase Foundation	200,000
Lumina Foundation	112,500
Menemsha Family Fund	10,000
Minnesota Work Force Council Assoc.	35,000
Rancho Santiago Community College District	173,000
Research for Action	36,078
Richard W. Goldman Family Foundation	50,000
Robert Wood Johnson Foundation	513,000
Sacramento County Office of Education	40,000
The Beacon Fund	245,000
The Bernard and Anne Spitzer Charitable Trust	200,000
The Kresge Foundation	965,001
Anonymous	600,000
Wellspring Philanthropic Fund	203,000
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	**$ 6,640,809**

6. NET ASSETS RELEASED FROM RESTRICTIONS

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

Achieving the Dream	$ 5,000
Alliance for Early Success	255,000
Allyn Family Foundation	6,000
Andrus Family Foundation	80,000
Annie E. Casey Foundation	270,000
Ballmer Group	245,000
BUILD Initiative	10,000
Center for American Progress	713,750
Chabot-Las Positas Community College District	95,000
Charles & Lynn Schusterman Family Foundation	350,000
Chippewa Valley Technical College	61,125
Conrad N. Hilton Foundation	41,667
David & Lucille Packard Foundation	115,000
Silicon Valley Community Foundation	15,000
Family Values at Work	48,750
Ford Foundation	327,724
Foundation for Child Development	250,000
George Gund Foundation	100,000
Hartford Foundation	33,333
Heising-Simons Foundation	584,519
Irving Harris Foundation	68,333
James Irvine Foundation	150,000
JP Morgan Chase Foundation	560,000
JPB Foundation	100,000
Kellogg Foundation	484,519
Louis N. Cassett Foundation	10,000
Lumina Foundation	432,353
Menemsha Family Fund	7,500
NAFCC	10,000
National Governor's Association	439,000
Northwest Area Foundation	42,857
Research for Action	118,642
Robert Wood Johnson Foundation	487,000
Sacramento County Office of Education	20,000
School District of Sacramento County	60,000
Fidelity Charitable	100,000
The Beacon Fund	5,000
The Bernard and Anne Spitzer Charitable Trust	300,000
The Kresge Foundation	505,000
Anonymous	1,318,000
Wellspring Philanthropic Fund	147,000
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	**$ 8,972,072**

7. LIQUIDITY

CLASP's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	$ 7,212,152
Grants receivable, current portion	2,007,224
Other receivables	22,372
Other current assets	4,757
Assets with donor restrictions	(6,640,809)
TOTAL AVAILABLE FINANCIAL ASSETS FOR GENERAL EXPENDITURES	**$ 2,605,696**

CLASP's process of liquidity management calls for the organization to maintain sufficient liquid financial assets in order to readily meet general expenditures and obligations as they become due. Additionally, CLASP has net assets with donor restrictions that are excluded from the amounts available for general expenditures. Any amounts in excess of immediate liquidity needs are transferred to a money market account in order to earn a higher interest rate.

8. 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, 2018 were $131,476.

9. SUBSEQUENT EVENTS

In preparing these financial statements, CLASP has evaluated events and transactions for potential recognition or disclosure through May 6, 2019, the date the financial statements were issued.