

## **FINANCIAL STATEMENTS**



**FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2018**

**CENTER FOR LAW AND SOCIAL POLICY**

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## CPAs & ADVISORS

### 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, 2019, 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, 2019, 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 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 6, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Gelman Rosenberg & Freedman*

April 28, 2020

**CENTER FOR LAW AND SOCIAL POLICY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2019**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 8,013,951	\$ 7,212,152
Receivables:		
Grants receivable, current portion	2,290,996	2,007,224
Other receivables	46,786	22,372
Prepaid expenses	85,369	113,233
Other current assets	<u>100</u>	<u>4,757</u>
Total current assets	<u>10,437,202</u>	<u>9,359,738</u>
<b>FURNITURE AND EQUIPMENT</b>		
Furniture and equipment	331,640	326,868
Less: Accumulated depreciation and amortization	<u>(212,525)</u>	<u>(145,371)</u>
Net furniture and equipment	<u>119,115</u>	<u>181,497</u>
<b>NON-CURRENT ASSETS</b>		
Grants receivable, net of current portion	735,385	94,787
Deposits	<u>88,625</u>	<u>39,160</u>
Total non-current assets	<u>824,010</u>	<u>133,947</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 11,380,327</u></b>	<b><u>\$ 9,675,182</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Capital lease obligation, current portion	\$ 27,887	\$ 23,092
Accounts payable and accrued liabilities	1,111,958	634,042
Accrued salaries and related benefits	276,050	229,102
Current portion of deferred rent abatement	<u>30,459</u>	<u>53,086</u>
Total current liabilities	<u>1,446,354</u>	<u>939,322</u>
<b>NON-CURRENT LIABILITIES</b>		
Capital lease obligation, long-term portion	75,623	108,550
Deferred rent abatement	<u>-</u>	<u>30,459</u>
Total non-current liabilities	<u>75,623</u>	<u>139,009</u>
Total liabilities	<u>1,521,977</u>	<u>1,078,331</u>
<b>NET ASSETS</b>		
Without donor restrictions	2,349,778	1,956,042
With donor restrictions	<u>7,508,572</u>	<u>6,640,809</u>
Total net assets	<u>9,858,350</u>	<u>8,596,851</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 11,380,327</u></b>	<b><u>\$ 9,675,182</u></b>

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, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>SUPPORT AND REVENUE</b>				
Foundation grants	\$ 215,000	\$ 10,484,032	\$ 10,699,032	\$ 8,752,863
Contributions	386,525	-	386,525	114,315
Investment income	19,240	-	19,240	11,275
Other revenue	63,792	-	63,792	35,680
Net assets released from donor restrictions	<u>9,616,269</u>	<u>(9,616,269)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>10,300,826</u>	<u>867,763</u>	<u>11,168,589</u>	<u>8,914,133</u>
<b>EXPENSES</b>				
Program Services	<u>7,866,957</u>	<u>-</u>	<u>7,866,957</u>	<u>8,057,095</u>
Supporting Services:				
Management and General	1,228,644	-	1,228,644	464,824
Fundraising	<u>811,489</u>	<u>-</u>	<u>811,489</u>	<u>466,946</u>
Total supporting services	<u>2,040,133</u>	<u>-</u>	<u>2,040,133</u>	<u>931,770</u>
Total expenses	<u>9,907,090</u>	<u>-</u>	<u>9,907,090</u>	<u>8,988,865</u>
Change in net assets	393,736	867,763	1,261,499	(74,732)
Net assets at beginning of year	<u>1,956,042</u>	<u>6,640,809</u>	<u>8,596,851</u>	<u>8,671,583</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 2,349,778</u></b>	<b><u>\$ 7,508,572</u></b>	<b><u>\$ 9,858,350</u></b>	<b><u>\$ 8,596,851</u></b>

## CENTER FOR LAW AND SOCIAL POLICY

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	2019				2018	
	Supporting Services			Total Supporting Services	Total Expenses	Total Expenses
	Program Services	Management and General	Fundraising			
Salaries	\$ 3,138,731	\$ 630,861	\$ 250,436	\$ 881,297	\$ 4,020,028	\$ 4,003,612
Payroll taxes	245,337	53,623	18,657	72,280	317,617	299,018
Benefits	536,189	126,172	75,131	201,303	737,492	723,587
Occupancy	468,181	68,622	-	68,622	536,803	539,303
Contributions expense	376	17,454	-	17,454	17,830	9,436
Office supplies	9,232	22,770	120	22,890	32,122	37,796
Postage and delivery	1,857	823	448	1,271	3,128	4,613
Printing and duplication	3,203	7,600	5,082	12,682	15,885	18,981
Meetings and conferences	330,234	32,498	160,289	192,787	523,021	290,272
Consulting fees	302,310	131,806	235,100	366,906	669,216	474,784
Professional fees	143,735	53,399	-	53,399	197,134	196,389
Subgrants	2,302,793	-	-	-	2,302,793	1,825,806
Telecommunications	51,613	13,422	-	13,422	65,035	46,084
Travel	150,947	21,369	55,171	76,540	227,487	265,797
Publications purchased	38,344	27,435	4,089	31,524	69,868	36,113
Dues and registration	24,740	2,946	6,635	9,581	34,321	44,228
Repairs and maintenance	13,611	2,327	-	2,327	15,938	46,673
Insurance	11,666	1,710	-	1,710	13,376	14,450
Interest expense	12,133	1,778	-	1,778	13,911	8,135
Depreciation and amortization	58,572	8,582	-	8,582	67,154	81,967
Miscellaneous	4,603	-	331	331	4,934	7,057
Temporary help	18,550	3,447	-	3,447	21,997	14,764
<b>TOTAL</b>	<b>\$ 7,866,957</b>	<b>\$ 1,228,644</b>	<b>\$ 811,489</b>	<b>\$ 2,040,133</b>	<b>\$ 9,907,090</b>	<b>\$ 8,988,865</b>

See accompanying notes to financial statements.

## CENTER FOR LAW AND SOCIAL POLICY

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,261,499	\$ (74,732)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	67,154	81,967
Change in discount on long-term grants receivable	29,718	(17,395)
Gain on termination of capital lease	-	(42,882)
Loss on exchange and disposal of furniture and equipment	-	27,855
(Increase) decrease in:		
Grants receivable	(954,088)	447,015
Other receivables	(24,414)	(10,515)
Prepaid expenses	27,864	843
Other current assets	4,657	(4,757)
Deposits	(49,465)	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	477,916	524,577
Accrued salaries and related benefits	46,948	47,845
Deferred rent abatement	<u>(53,086)</u>	<u>(41,523)</u>
Net cash provided by operating activities	<u>834,703</u>	<u>938,298</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of furniture and equipment	<u>(4,772)</u>	<u>(7,512)</u>
Net cash used by investing activities	<u>(4,772)</u>	<u>(7,512)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on capital lease obligations	<u>(28,132)</u>	<u>(16,051)</u>
Net cash used by financing activities	<u>(28,132)</u>	<u>(16,051)</u>
Net increase in cash and cash equivalents	801,799	914,735
Cash and cash equivalents at beginning of year	<u>7,212,152</u>	<u>6,297,417</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 8,013,951</u></b>	<b><u>\$ 7,212,152</u></b>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest Paid	<b><u>\$ 13,913</u></b>	<b><u>\$ 8,135</u></b>
<b>SCHEDULE OF NONCASH FINANCING TRANSACTIONS</b>		
Capital Lease Obligation Incurred for Use of Equipment	<b><u>\$ -</u></b>	<b><u>\$ 140,502</u></b>
Donated Stock	<b><u>\$ 10,224</u></b>	<b><u>\$ -</u></b>

See accompanying notes to financial statements.



## CENTER FOR LAW AND SOCIAL POLICY

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

#### 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 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. 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.

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, 2018, from which the summarized information was derived.

##### New accounting pronouncements adopted -

During 2019, CLASP adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities.

CENTER FOR LAW AND SOCIAL POLICY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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

New accounting pronouncements adopted (continued) -

Analysis of the various provisions of this standard resulted in no significant changes in the way CLASP recognized revenue; however, the presentation and disclosures of revenue have been enhanced. CLASP has elected to opt out of all disclosures not required for non public entities and also elected a modified retrospective approach for implementation.

Also during 2019, CLASP adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions. CLASP adopted the ASU using a modified prospective basis.

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. Interest, dividends, realized and unrealized gains and losses are included in investment income net of investment expenses provided by external investment advisors and allocated internal management costs in the Statement of Activities and Change in Net Assets. Investments acquired by gift are recorded at their fair value at the date of the gift. CLASP's policy is to liquidate all gifts of investments as soon as possible after the gift.

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. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets, ranging from three to ten years.

CENTER FOR LAW AND SOCIAL POLICY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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

Furniture and equipment (continued) -

Amortization of assets held under capital leases is included with depreciation expense. The cost of maintenance and repairs is recorded as expenses are incurred.

Revenue -

Contributions and grants are recognized in the appropriate category of net assets in the period received.

Contributions of assets other than cash are recorded at their estimated fair value at the date of gift. Pledges receivable are stated at the estimated net present value, net of an allowance for uncollectible amounts. Conditional promises to give are not recognized until the condition on which they depend are substantially met. Contributions and grants qualifying as contributions are recorded by CLASP upon notification of the contribution and grant award and satisfaction of all conditions, if applicable. Contributions and grants are classified as net assets with donor restrictions when use of the contribution or grant funds is limited to specific programmatic areas or is designated for use in future periods. 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 restrictions in the accompanying financial statements. Contributions and grants received in advance of incurring the related expenses are recorded as "net assets with donor restrictions".

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, 2019, 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.

CENTER FOR LAW AND SOCIAL POLICY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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

Functional allocation of expenses (continued) -

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.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassification is due to segregating interest income in the amount of \$11,275 that was previously combined with other revenue. This reclassification had no effect on the previously reported change in net assets.

New accounting pronouncement (not yet adopted) -

FASB issued ASU 2019-01, *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, 2020. 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 ASU at the required implementation date.

2. **GRANTS RECEIVABLE**

As of December 31, 2019, contributors to CLASP have made written promises to give, of which \$3,061,312 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%.

Grants are due as follows at December 31, 2019:

<u>Year Ending December 31,</u>	
2020	\$ 2,290,996
2021	<u>770,316</u>
	3,061,312
Less: Discount on long-term receivables	<u>(34,931)</u>
<b>GRANTS RECEIVABLE, NET</b>	<b><u>\$ 3,026,381</u></b>

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.

CENTER FOR LAW AND SOCIAL POLICY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

3. CAPITAL LEASES (Continued)

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, 2019, the cost and related accumulated amortization of the leased assets was \$140,502 and \$49,176, respectively.

Future minimum lease payments at December 31, 2019 are as follows:

Year Ending December 31,

2020	\$	38,454
2021		38,454
2022		38,454
2023		<u>9,357</u>
		124,719
Less: Interest		<u>(21,209)</u>
		103,510
Less: Current portion		<u>(27,887)</u>
<b>LONG-TERM PORTION</b>	<b>\$</b>	<b><u>75,623</u></b>

Interest expense for the year ended December 31, 2019 was \$13,913.

4. LEASE 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 following is a schedule of the future minimum lease payments:

**Year Ended December 31, 2020** **\$ 299,271**

Occupancy expense for the year ended December 31, 2019 totaled \$536,803. As of December 31, 2019, the deferred rent liability totaled \$30,459.

On October 10, 2019, CLASP entered into a sublease agreement for new office space in Washington, D.C. The new agreement commences on June 1, 2020 and extends through May 31, 2032.

**CENTER FOR LAW AND SOCIAL POLICY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**4. LEASE COMMITMENTS (Continued)**

Base rent is \$593,591 per year, increasing by a factor of 3% per year. Under this lease agreement, CLASP receives a rent abatement as follows: (i) the basic rent is abated for the first three (3) months of the first lease year; (ii) the basic rent is abated for the first month of each of the second, third, fourth, fifth, sixth, seventh, and eighth years, as well as an allowance for improvements not to exceed \$240,645. The new lease also calls for CLASP to pay a security deposit in the amount of \$49,465.

**5. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at December 31, 2019:

Alliance for Early Success	\$ 170,000
Andrus Family Fund	212,500
Annie E. Casey Foundation	145,714
Ballmer Group	255,000
Center for American Progress	202,292
Chabot-Las Positas Community College District	20,000
Conrad N. Hilton Foundation	108,333
David & Lucile Packard Foundation	95,000
Silicon Valley Community Foundation	100,000
ECMC Foundation	42,500
Ford Foundation	75,000
Open Society Foundation	166,667
Heising-Simons Foundation	150,000
Irving Harris Foundation	108,334
National Association of Student Financial Aid	10,900
JP Morgan Chase Foundation	208,333
Lumina Foundation	275,833
Menemsha Family Fund	10,000
W.K. Kellogg Foundation	466,667
Walter S. Johnson Foundation	12,500
Western Interstate Commission for Higher Edu.	2,500
Richard W. Goldman Family Foundation	87,500
Robert Wood Johnson Foundation	1,842,029
The Beacon Fund	175,000
The Bernard and Anne Spitzer Charitable Trust	700,000
The Kresge Foundation	243,470
Anonymous	437,500
Wellspring Philanthropic Fund	1,050,000
The George Gund Foundation - Time restricted	<u>135,000</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 7,508,572</u></b>

CENTER FOR LAW AND SOCIAL POLICY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

6. 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:

Alliance for Early Success	\$ 255,000
Andrus Family Foundation	99,168
Annie E. Casey Foundation	369,286
Ballmer Group	500,000
Chabot-Las Positas Community College District	60,000
Center for American Progress	675,208
Conrad N. Hilton Foundation	100,000
ECMC Foundation	82,500
Minnesota Work Force Council	35,000
National Association of Student Financial Aid	9,100
Open Society Foundation	83,333
David & Lucile Packard Foundation	275,000
Silicon Valley Community Foundation	85,000
Family Values at Work	16,250
Ford Foundation	756,776
Heising-Simons Foundation	400,000
Irving Harris Foundation	78,333
James Irvine Foundation	130,000
JP Morgan Chase Foundation	491,667
Lumina Foundation	536,667
Menemsha Family Fund	10,000
W. K. Kellogg Foundation	133,333
Walter S. Johnson Foundation	17,500
Western Interstate Commission for Higher Edu.	2,500
Rancho Santiago Community College District	173,000
Research for Action	35,001
Richard Goldman Family Foundation	62,500
Robert Wood Johnson Foundation	1,308,647
Sacramento County Office of Education	40,000
Solidarity Giving	100,000
The Beacon Fund	245,000
The Bernard and Anne Spitzer Charitable Trust	200,000
The Kresge Foundation	700,000
Anonymous	1,212,500
Wellspring Philanthropic Fund	203,000
The George Gund Foundation - Passage of time	<u>135,000</u>
<b>TOTAL NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>\$ <u>9,616,269</u></b>

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7. LIQUIDITY

Financial assets available for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 8,013,951
Grants receivable, current portion	2,290,996
Other receivables	<u>46,786</u>
Subtotal financial assets available within one year	10,351,733
Less: Donor restricted funds	<u>(7,373,572)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b><u>\$ 2,978,161</u></b>

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. As of December 31, 2019, CLASP has financial assets equal to approximately four months of operating expenses. In addition, amounts in excess of immediate cash 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. Consistent with CLASP's regular practice, the organization made a retirement contribution of 4% of salary to eligible employees. Total contributions to the Plan for the year ended December 31, 2019 were \$128,199.

9. SUBSEQUENT EVENTS

In preparing these financial statements, CLASP has evaluated events and transactions for potential recognition or disclosure through April 28, 2020, the date the financial statements were issued.

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