FINANCIAL STATEMENTS

CLASP

policy solutions that work for low-income people

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

CENTER FOR LAW AND SOCIAL POLICY

CONTENTS

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, 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 CLASP 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 CLASP's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 28, 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 & Freedman

May 12, 2021

CENTER FOR LAW AND SOCIAL POLICY

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

ASSETS

	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	$ 6,982,781	$ 8,013,951
Investments	8,386	100
Receivables:		
Grants receivable, current	3,632,035	2,290,996
Other receivables	38,217	46,786
Prepaid expenses	147,874	85,369
Total current assets	10,809,293	10,437,202
FURNITURE AND EQUIPMENT		
Furniture and equipment	290,110	191,137
Leasehold improvements	99,412	-
Less: Accumulated depreciation and amortization	(190,180)	(163,349)
Net furniture and equipment	199,342	27,788
NON-CURRENT ASSETS		
Grants receivable, net	-	735,385
Deposits	49,466	88,625
Right of use assets - operating lease	6,138,208	-
Right-of-use assets - finance lease	63,226	91,327
Total non-current assets	6,250,900	915,337
TOTAL ASSETS	**$ 17,259,535**	**$ 11,380,327**

LIABILITIES AND NET ASSETS

	2020	2019
CURRENT LIABILITIES		
Operating lease liability, current	$ 352,594	$ -
Finance lease liability, current	31,444	27,887
Loan payable	817,100	-
Accounts payable and accrued liabilities	79,311	1,111,958
Accrued salaries and related benefits	372,397	276,050
Deferred rent abatement, current	-	30,459
Total current liabilities	1,652,846	1,446,354
NON-CURRENT LIABILITIES		
Operating lease liability, net of current portion	5,971,071	-
Finance lease liability, net of current portion	43,030	75,623
Total non-current liabilities	6,014,101	75,623
Total liabilities	7,666,947	1,521,977
NET ASSETS		
Without donor restrictions	1,738,711	2,349,778
With donor restrictions	7,853,877	7,508,572
Total net assets	9,592,588	9,858,350
TOTAL LIABILITIES AND NET ASSETS	**$ 17,259,535**	**$ 11,380,327**

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, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Foundation grants	$ -	$ 8,000,211	$ 8,000,211	$ 10,699,032
Contributions	366,711	-	366,711	386,525
Investment income, net	7,041	-	7,041	19,240
Other revenue	10,050	-	10,050	63,792
Net assets released from donor restrictions	7,654,906	(7,654,906)	-	-
Total support and revenue	8,038,708	345,305	8,384,013	11,168,589
EXPENSES				
Program Services	7,222,570	-	7,222,570	7,866,957
Supporting Services:				
Management and General	838,299	-	838,299	1,228,644
Fundraising	588,906	-	588,906	811,489
Total supporting services	1,427,205	-	1,427,205	2,040,133
Total expenses	8,649,775	-	8,649,775	9,907,090
Change in net assets	(611,067)	345,305	(265,762)	1,261,499
Net assets at beginning of year	2,349,778	7,508,572	9,858,350	8,596,851
NET ASSETS AT END OF YEAR	**$ 1,738,711**	**$ 7,853,877**	**$ 9,592,588**	**$ 9,858,350**

CENTER FOR LAW AND SOCIAL POLICY

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

	2020					2019
		Supporting Services				
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salaries	$ 3,812,475	$ 384,590	$ 299,936	$ 684,526	$ 4,497,001	$ 4,020,028
Payroll taxes	279,810	28,691	23,494	52,185	331,995	317,617
Benefits	715,455	74,148	61,889	136,037	851,492	737,492
Occupancy	495,949	120,073	58,923	178,996	674,945	536,803
Contributions	-	2,500	1,000	3,500	3,500	17,830
Office supplies	11,526	2,791	1,369	4,160	15,686	32,122
Postage and delivery	210	1,348	149	1,497	1,707	3,128
Printing and duplication	2,060	4,895	4,562	9,457	11,517	15,885
Meetings and conferences	30,973	14,098	2,404	16,502	47,475	523,021
Consulting fees	272,388	96,019	95,745	191,764	464,152	669,216
Professional fees	119,385	53,872	14,184	68,056	187,441	197,134
Subgrants	1,273,600	-	-	-	1,273,600	2,302,793
Telecommunications	56,009	13,560	6,654	20,214	76,223	65,035
Travel	18,772	4,545	2,230	6,775	25,547	227,487
Publications	41,280	9,994	4,904	14,898	56,178	69,868
Dues and registration	16,232	8,410	4,179	12,589	28,821	34,321
Repairs and maintenance	3,943	955	468	1,423	5,366	15,938
Insurance	9,098	2,203	1,081	3,284	12,382	13,376
Interest	7,735	1,873	919	2,792	10,527	13,911
Depreciation and amortization	40,364	9,772	4,796	14,568	54,932	67,154
Miscellaneous	164	1,142	20	1,162	1,326	4,934
Temporary help	15,142	2,820	-	2,820	17,962	21,997
TOTAL	**$ 7,222,570**	**$ 838,299**	**$ 588,906**	**$ 1,427,205**	**$ 8,649,775**	**$ 9,907,090**

See accompanying notes to financial statements.

CENTER FOR LAW AND SOCIAL POLICY

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

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (265,762)	$ 1,261,499
Adjustments to reconcile change in net assets to net cash (used) provided provided by operating activities:		
Depreciation and amortization	54,932	67,154
Realized and unrealized gain on investments	(675)	-
Change in discount on long-term grants receivable	(34,931)	29,718
Receipt of contributed securities	(7,611)	-
Change in the measurement of operating lease	185,457	-
(Increase) decrease in:		
Grants receivable	(570,723)	(954,088)
Other receivables	8,569	(24,414)
Prepaid expenses	(62,505)	27,864
Deposits	39,159	(49,465)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(1,032,647)	477,916
Accrued salaries and related benefits	96,347	46,948
Deferred rent abatement	(30,459)	(53,086)
Net cash (used) provided by operating activities	(1,620,849)	830,046
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(198,385)	(4,772)
Proceeds from sales of investments	-	4,657
Net cash used by investing activities	(198,385)	(115)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on finance lease liability	(29,036)	(28,132)
Proceeds from loan payable	817,100	-
Net cash provided (used) by financing activities	788,064	(28,132)
Net (decrease) increase in cash and cash equivalents	(1,031,170)	801,799
Cash and cash equivalents at beginning of year	8,013,951	7,212,152
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 6,982,781**	**$ 8,013,951**
SUPPLEMENTAL INFORMATION:		
Interest Paid	**$ 10,527**	**$ 13,913**
SCHEDULE OF NONCASH INVESTING AND FINANCING TRANSACTIONS:		
Right of Use Asset	**$ 6,417,344**	**$ -**
Operating Lease Liability for Right of Use Asset	**$ 6,417,344**	**$ -**

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 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 Entitie*s. 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, 2019, from which the summarized information was derived.

New accounting pronouncement adopted -

During 2020, CLASP early adopted Accounting Standards Update (ASU) 2020-05, *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 Statements of Financial Position and disclosing key information about leasing arrangements. 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.

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

New accounting pronouncement adopted -

CLASP early adopted this ASU in 2020 as it entered into a new operating lease arrangement for its headquarters office space.

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, which is presented net of investment expenses paid to external investment advisors, 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.

Receivables -

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.

Other receivables are recorded a their net realizable value, which approximates fair value.

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

Contributions and grants -

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

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

Contributions and grants (continued) -

CLASP 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.*

Contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Contributions and grants 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; such funds in in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements. CLASP did not have any unrecognized conditional awards at December 31, 2020.

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, 2020, 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.

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

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 reclassification is due to segregating investments in the amount of $100 that was previously classified as other assets. This reclassification had no effect on the previously reported change in net assets.

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 CLASP's operations. The overall potential impact is unknown at this time.

2. INVESTMENTS

Investments consisted of the following as of December 31, 2020:

	Fair Value
Common Stocks	**$ 8,386**

Included in investment income are the following:

Interest and dividends, net of fees	$ 6,375
Unrealized gain	666
TOTAL INVESTMENT INCOME, NET	**$ 7,041**

2. INVESTMENTS (Continued)

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). 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 as of December 31, 2020. There were no transfers between levels in the fair value hierarchy during the year ended December 31, 2020. Transfers between levels are recorded at the end of the reporting period, if applicable.

Common Stocks - 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, 2020.

	Level 1	Level 2	Level 3	Total December 31, 2020
Asset Class:				
Common Stocks	$ 8,386	$ -	$ -	$ 8,386

3. FINANCE LEASE AGREEMENT

In 2018, CLASP terminated its finance lease for copiers and entered into a new finance lease obligation for copiers due to expire in 2023. The annual base rent is $3,098 for the entire lease term. In connection with this lease, CLASP recorded a right of use asset and a corresponding finance lease liability in the amount of $140,503 using an interest rate 11.613%. The right-of-use asset and finance lease liability are being amortized over the life of the lease agreement. As of December 31, 2020, the unamortized right-of-use asset was $63,226.

3. FINANCE LEASE AGREEMENT (Continued)

Future minimum lease payments at December 31, 2020 are as follows:

Year Ending December 31,	
2022	$ 38,454
2023	38,454
2024	7,868
	84,776
Less: Interest	(10,302)
	74,474
Less: Current portion	(31,444)
LONG-TERM PORTION	**$ 43,030**

Interest expense for the year ended December 31, 2020 was $10,527.

4. OPERATING LEASE COMMITMENTS

In December 2009, CLASP signed a lease for office space under a ten-year agreement, which commenced in May 2010. Base rent was $41,463 per month, increasing by a factor of 2% per year, plus a proportionate share of expenses.

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

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2019-01 related to *Leases* (Topic 842), in order to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the Statement of Financial Position and disclosing key information about leasing arrangements for operating leases that are greater than one year in duration.

The ASU specifically requires an organization to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments in the Statement of Financial Position and recognize a single lease cost, calculated so the cost of the lease is allocated over the lease term on a generally straight line basis. The guidance in the ASU is effective for not-for-profit entities for fiscal years beginning after December 15, 2021 and early adoption is permitted. CLASP elected to early implement the ASU. As a result, CLASP recorded a right-of-use asset in the amount of $6,417,344. CLASP recorded an operating lease liability in the amount of $6,417,344 by calculating the present value using the discount rate of 3.25%.

4. OPERATING LEASE COMMITMENT (Continued)

As of December 31, 2020, the unamortized right-of-use asset was $6,138,208 and the unamortized operating lease liability was $6,323,665. The lease cost, including imputed interest and amortization of the right-of-use asset for the year ended December 31, 2020, was $383,321 and is included in occupancy expense in the accompanying Statement of Functional Expenses.

The future minimum lease payments (shown below) reflect the rental payments through the termination date of the new lease.

Year Ended December 31, 2020	
2021	$ 553,029
2022	569,620
2023	586,708
2024	604,310
2025	622,439
Thereafter	4,751,492
TOTAL	**$ 7,687,598**

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2020:

Alliance for Early Success	$ 160,000
Andrus Family Fund	137,500
Annie E. Casey Foundation	370,000
Bill and Melinda Gates Foundation	310,000
Center for American Progress	300,000
CBPP	109,383
Center on Budget and Policy Priorities	41,450
David & Lucile Packard Foundation	213,235
Conrad N. Hilton Foundation	100,000
Henry Luce Foundation	40,000
Ford Foundation	612,500
Prevention Institute Service Provider	100,000
Heising-Simons Foundation	500,000
Irving Harris Foundation	43,334
JP Morgan Chase Foundation	150,000
Lumina Foundation	166,667
Menemsha Family Fund	10,000
W.K. Kellogg Foundation	266,667
Walter S. Johnson Foundation	175,000
Richard W. Goldman Family Foundation	50,000
Robert Wood Johnson Foundation	2,194,474
The Bernard and Anne Spitzer Charitable Trust	938,667
Wellspring Philanthropic Fund	775,000
The George Gund Foundation - Time restricted	90,000
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	**$ 7,853,877**

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:

Center for Community Change	$ 50,000
Alliance for Early Success	250,000
Andrus Family Foundation	75,000
Annie E. Casey Foundation	360,714
Ballmer Group	255,000
Chabot-Las Positas Community College District	20,000
Center for American Progress	516,042
Conrad N. Hilton Foundation	208,333
ECMC Foundation	52,500
Center on Budget and Policy Priorities	8,550
National Association of Student Financial Aid	10,900
Open Society Foundation	166,667
David & Lucile Packard Foundation	271,765
Silicon Valley Community Foundation	100,000
Community Catalyst	8,550
Ford Foundation	487,500
Heising-Simons Foundation	275,000
Irving Harris Foundation	65,000
Family Health International	14,200
JP Morgan Chase Foundation	258,333
Lumina Foundation	309,166
Menemsha Family Fund	10,000
W. K. Kellogg Foundation	200,000
Walter S. Johnson Foundation	37,500
Western Interstate Commission for Higher Edu.	2,500
Henry Luce Foundation	10,000
Marguerite Casey Foundation	5,000
New Mexico State University	5,000
Richard Goldman Family Foundation	87,500
Robert Wood Johnson Foundation	1,664,566
CBPP	32,317
Bill and Melinda Gates Foundation	100,000
Fidelity Charitable	100,000
The Beacon Fund	175,000
The Bernard and Anne Spitzer Charitable Trust	461,333
The Kresge Foundation	243,470
Anonymous	437,500
Wellspring Philanthropic Fund	275,000
The George Gund Foundation - Passage of time	45,000
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	**$ 7,654,906**

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	$ 6,982,781
Investments	8,386
Grants receivable	3,632,035
Other receivables	38,217
Subtotal financial assets available within one year	10,661,419
Donor restricted funds	(7,763,877)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	**$ 2,897,542**

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, 2020, 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, 2020 were $181,266.

9. LOAN PAYABLE

On April 16, 2020, CLASP received loan proceeds in the amount of $817,100 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. CLASP intends to use 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. Subsequent to year-end, the loan was forgiven, and accordingly, CLASP will record revenue from debt extinguishments during the year ending December 31, 2021.

10. SUBSEQUENT EVENTS

In preparing these financial statements, CLASP has evaluated events and transactions for potential recognition or disclosure through May 12, 2021, the date the financial statements were issued.