CENTER FOR LAW AND SOCIAL POLICY

Financial Statements Together with
Report of Independent Public Accountants

For the Years Ended December 31, 2021 and 2020

SB & COMPANY, LLC
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DECEMBER 31, 2021 AND 2020

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE FINANCIAL STATEMENTS

To the Board of Directors of
Center for Law and Social Policy

Opinion

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, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CLASP as of December 31, 2021, and the changes 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CLASP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statement s of CLASP for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on May 12, 2021.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CLASP's

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ability to continue as a going concern for one year after the date that the financial statements are available for issue.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit 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 CLASP's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CLASP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal controls–related matters that we identified during the audit.

SB & Company, LLC

Washington, D.C.
May 11, 2022

CENTER FOR LAW AND SOCIAL POLICY

Statements of Financial Position
As of December 31, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ 9,887,339	$ 6,982,781
Investments	2,841	8,386
Grants receivable	2,951,100	3,632,035
Accounts receivable	27,739	38,217
Prepaid expenses	221,729	147,874
Property and equipment, net	195,089	199,341
Right-of-use-asset - finance lease	158,776	63,226
Right-of-use-asset - operating lease	5,730,987	6,187,674
Total Assets	$ 19,175,600	$ 17,259,534
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 281,207	$ 79,310
Accrued salaries and related benefits	385,752	372,397
Loan payable - Paycheck Protection Program	-	817,100
Deferred revenue	7,000	-
Finance lease liability	165,960	74,474
Operating lease liability	5,971,071	6,323,665
Total Liabilities	6,810,990	7,666,946
Net Assets		
Without donor restrictions	2,651,783	1,738,711
With donor restrictions	9,712,827	7,853,877
Total Net Assets	12,364,610	9,592,588
Total Liabilities and Net Assets	$ 19,175,600	$ 17,259,534

The accompanying notes are an integral part of these financial statements.

CENTER FOR LAW AND SOCIAL POLICY

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2021 and 2020

	2021	2020
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and Support		
Contributions	**$ 236,806**	$ 366,711
Contract revenue	**256,340**	-
Federal grant - PPP loan forgiveness	**817,100**	-
Investment income, net	**3,399**	7,041
Other revenue	**17,765**	10,050
Total Revenue	**1,331,410**	383,802
Release of net assets from restrictions	**8,894,500**	7,654,906
Total Revenue and Support	**10,225,910**	8,038,708
Expenses		
Policy areas	**7,654,824**	7,222,570
General and administrative	**1,087,510**	838,299
Fundraising	**570,504**	588,906
Total Expenses	**9,312,838**	8,649,775
Change in Net Assets Without Donor Restrictions	**913,072**	(611,067)
NET ASSETS WITH DONOR RESTRICTIONS		
Grants	**10,753,450**	8,000,211
Release of net assets from restrictions	**(8,894,500)**	(7,654,906)
Change in Net Assets With Donor Restrictions	**1,858,950**	345,305
Changes in net assets	**2,772,022**	(265,762)
Net assets, beginning of year	**9,592,588**	9,858,350
Net Assets, End of Year	**$ 12,364,610**	$ 9,592,588

The accompanying notes are an integral part of these financial statements.

CENTER FOR LAW AND SOCIAL POLICY

Statement of Functional Expenses
For the Year Ended December 31, 2021, with Comparative 2020 Totals

	2021							
	Policy Areas				Supporting Services			
	Education, Labor and Worker Justice	Child Care and Early Education	Poverty Income Support Program	Total Policy Areas	General and Administrative	Fundraising	Total	2020 Totals
Salaries	$ 811,109	$ 1,887,910	$ 1,135,621	$ 3,834,640	$ 396,825	$ 336,792	$ 4,568,257	$ 4,497,001
Payroll taxes	58,393	136,515	81,942	276,850	28,089	24,384	329,323	331,995
Benefits	138,528	323,850	194,410	656,788	67,402	57,771	781,961	851,492
Consulting fees	187,971	653,432	261,983	1,103,386	237,709	58,250	1,399,345	464,152
Subgrants	11,028	517,325	522,878	1,051,231	-	-	1,051,231	1,273,600
Occupancy	105,254	244,241	146,610	496,105	108,073	52,943	657,121	674,945
Professional fees	9,749	22,577	13,554	45,880	107,092	5,437	158,409	187,441
Publications purchased	2,015	2,779	2,393	7,187	62,221	5,870	75,278	56,178
Telecommunications	11,769	27,895	16,705	56,369	12,828	4,814	74,011	76,223
Depreciation and amortization	5,585	12,934	7,764	26,283	26,205	3,115	55,603	54,932
Meetings and conferences	2,797	14,391	7,033	24,221	12,582	5,641	42,444	47,475
Dues and registration	9,146	5,349	2,919	17,414	3,815	6,400	27,629	28,821
Travel	152	6,562	5,950	12,664	10,570	320	23,554	25,547
Miscellaneous	22,137	203	8	22,348	-	-	22,348	1,326
Insurance	3,208	7,428	4,459	15,095	3,684	1,789	20,568	12,382
Printing and duplication	122	281	168	571	3,195	5,310	9,076	11,517
Office supplies	606	1,979	1,150	3,735	4,957	188	8,880	15,686
Interest expense	845	1,958	1,176	3,979	962	471	5,412	10,527
Postage and delivery	16	39	23	78	1,301	9	1,388	1,707
Contributions	-	-	-	-	-	1,000	1,000	3,500
Repairs and maintenance	-	-	-	-	-	-	-	5,366
Temporary help	-	-	-	-	-	-	-	17,962
Total Expenses	$ 1,380,430	$ 3,867,648	$ 2,406,746	$ 7,654,824	$ 1,087,510	$ 570,504	$ 9,312,838	$ 8,649,775

The accompanying notes are an integral part of this financial statement.

CENTER FOR LAW AND SOCIAL POLICY

Statement of Functional Expenses
For the Year Ended December 31, 2020

		Supporting Services		
	Policy Areas	General and Administrative	Fundraising	Total Expenses
Salaries	$ 3,812,475	$ 384,590	$ 299,936	$ 4,497,001
Payroll taxes	279,810	28,691	23,494	331,995
Benefits	715,455	74,148	61,889	851,492
Grants	1,273,600	-	-	1,273,600
Occupancy	495,949	120,073	58,923	674,945
Consulting fees	272,388	96,019	95,745	464,152
Professional fees	119,385	53,872	14,184	187,441
Telecommunications	56,009	13,560	6,654	76,223
Publications	41,280	9,994	4,904	56,178
Depreciation and amortization	40,364	9,772	4,796	54,932
Meetings and conferences	30,973	14,098	2,404	47,475
Dues and registration	16,232	8,410	4,179	28,821
Travel	18,772	4,545	2,230	25,547
Temporary help	15,142	2,820	-	17,962
Office supplies	11,526	2,791	1,369	15,686
Insurance	9,098	2,203	1,081	12,382
Printing and duplication	2,060	4,895	4,562	11,517
Interest	7,735	1,873	919	10,527
Repairs and maintenance	3,943	955	468	5,366
Contributions	-	2,500	1,000	3,500
Postage and delivery	210	1,348	149	1,707
Miscellaneous	164	1,142	20	1,326
Total Expenses	$ 7,222,570	$ 838,299	$ 588,906	$ 8,649,775

The accompanying notes are an integral part of this financial statement.

CENTER FOR LAW AND SOCIAL POLICY

Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Changes in net assets	**$ 2,772,022**	$ (265,762)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	**35,756**	54,932
Loss on disposal of property and equipment	**1,644**	-
Unrealized and realized gains (losses) on investments	**327**	(675)
Receipt of contributed securities	**(2,738)**	(7,611)
Change in the measurement of leases	**112,692**	185,457
Forgiveness of loan payable - Paycheck Protection Program	**(817,100)**	-
Effect of changes in non-cash operating assets and liabilities:		
Grants receivable	**680,935**	(605,653)
Accounts receivable	**10,478**	8,569
Prepaid expenses	**(73,855)**	(62,505)
Deposits	**-**	39,159
Accounts payable and accrued expenses	**201,897**	(1,032,648)
Accrued salaries and related benefits	**13,355**	96,347
Deferred revenue	**7,000**	-
Deferred rent abatement	**-**	(30,459)
Net Cash from Operating Activities	**2,942,413**	(1,620,849)
Cash Flows from Investing Activities		
Sales of investments	**7,956**	-
Purchase of property and equipment	**(33,148)**	(198,385)
Net Cash from Investing Activities	**(25,192)**	(198,385)
Cash Flow from Financing Activities		
Principal payments on finance lease liability	**(12,663)**	(29,036)
Proceeds from loan payable	**-**	817,100
Net Cash from Financing Activities	**(12,663)**	788,064
Net change in cash and cash equivalents	**2,904,558**	(1,031,170)
Cash and cash equivalents, beginning of year	**6,982,781**	8,013,951
Cash and Cash Equivalents, End of Year	**$ 9,887,339**	$ 6,982,781
Supplemental Cash Flow Disclosure		
Cash paid for interest	**$ 5,414**	$ 10,527
Acquisition of leased asset	**(178,623)**	-

The accompanying notes are an integral part of these financial statements.

CENTER FOR LAW AND SOCIAL POLICY

Notes to the Financial Statements
December 31, 2021 and 2020

1. DESCRIPTION OF THE 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 the lives of children, youth, adults and families with low- income. CLASP understands that poverty in America is inextricably tied to systemic racism. Therefore, we will explicitly and with intention, focus our policy and advocacy efforts for economic and racial justice on systemic racism as the primary cause of poverty in communities of color in the United States. We believe that centering communities of color in our advocacy leads to policies that advance economic justice for everyone. We work in partnership with the people most impacted to advance policies that promote racial and economic justice.

Through high-quality analysis grounded in data and on-the-ground experience, effective advocacy, a strong public voice, and hands-on technical assistance, CLASP develops and promotes new ideas, mobilizes others, and provides guidance to government leaders and advocates to help them implement strategies that deliver meaningful results to people across America.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of CLASP are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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 judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

CLASP considers all cash and other highly liquid investments with an original maturities of three months or less to be cash equivalents. As of December 31, 2021 and 2020, cash equivalents consisted of money market accounts.

CLASP maintains its cash in a bank deposit account which, at times, may exceed Federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor per institution. As of December 31, 2021 and 2020, CLASP has $5,339,214 and $2,438,128 in excess of FDIC insured limits, respectively. CLASP has not experienced any losses in their bank deposit accounts.

Grants and Accounts Receivables

Grants and accounts receivables approximate fair value. Management assesses the collectability for each amount based on historic data. As of December 31, 2021 and 2020, management considers all amounts to be fully collectible within one year. Accordingly, an allowance for doubtful accounts has not been established as of December 31, 2021 and 2020.

Fair Value Measurements

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

The three levels of the fair value hierarchy under generally accepted accounting principles are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that CLASP has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Property and Equipment

Property and equipment purchased in excess of $1,000, and have an estimated useful life of more than one year, are capitalized and recorded at cost. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets, ranging from three to seven years. Amortization of assets held under finance leases is included with depreciation and amortization expense. The cost of maintenance and repairs is recorded as expenses are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Revenue

Deferred revenue consists of revenue related to funds for an executive course. The revenue will be recognized when the executive course occurs. Revenue received in advance of the executive course is presented as a deferred liability in the accompanying statements of financial position as of December 31, 2021.

Net Assets

Net assets without donor restrictions are assets and contributions that are not restricted by donors or for which restrictions have expired.

Net assets with donor restrictions are those whose use by CLASP has been restricted by donors primarily for a specific time period or purpose. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Support and Revenue

Grants and contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions.

Gifts of cash and other assets are reported as with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

Amounts received under contracts are recognized as revenue when the related services are provided.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and statements of functional expenses. Accordingly, certain costs have been allocated among the program (policy areas) and supporting services that benefit from those costs. General and administrative and fundraising expenses include those expenses that are not directly identified with any other specific policy area but provide for the overall support and direction of CLASP. These have been allocated across all programs by the percentage of staff time spent on those activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

CLASP is exempt from the payment of Federal income taxes other than net unrelated business income by the Internal Revenue Service under the provisions of Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private foundation.

The provisions included in accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. CLASP performed an evaluation of uncertain tax positions as of December 31, 2021 and 2020 and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of December 31, 2021, the statute of limitations for tax years 2018 through 2021 remains open with the U.S. Federal jurisdiction and any state and local jurisdictions in which CLASP files tax returns. It is CLASP's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

Liquidity and Availability of Resources

The following reflects CLASP's financial assets as of December 31, 2021 that are available for general use within one year.

	Amount
Cash and cash equivalents	$ 9,887,339
Investments	2,841
Grants receivable	2,951,100
Accounts receivable	27,739
Financial assets, at year-end	12,869,019
Less those unavailable for general expenditures within one year, due to:	
Donor restricted funds	7,530,202
Financial assets available to meet cash needs for general expenses within one year	$ 5,338,817

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, 2021, CLASP has financial assets equal to approximately seven 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which presents contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash or other financial assets. This standard is effective retrospectively for periods beginning after June 15, 2021.

Management is evaluating the effects of this pronouncement on the financial statements and will implement this pronouncement by its effective date. Management does not believe the adoption of this pronouncement will have a material effect on the financial statements.

Subsequent Events

CLASP's management evaluated the accompanying financial statements for subsequent events and transactions through May 11, 2022, the date the financial statements were available for issue and have determined that other than the paragraph below, no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

Subsequent to year end, CLASP received a general operating grant in the amount of $10,000,000 from the National Philanthropic Trust.

3. INVESTMENTS

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in methodologies used as of December 31, 2021. There were no transfers between levels in the fair value hierarchy during the year ended December 31, 2021. 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 methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, while CLASP believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

3. INVESTMENTS (continued)

The following tables set forth, by level, the fair value hierarchy, CLASP's investments at fair value as of December 31.

	2021			
	Level 1	Level 2	Level 3	Total
Common Stocks	**$ 2,841**	**$ -**	**$ -**	**$ 2,841**

	2020			
	Level 1	Level 2	Level 3	Total
Common Stocks	$ 8,386	$ -	$ -	$ 8,386

For the years ended December 31, 2021 and 2020, investment income consisted of the following:

	2021	2020
Interest and dividends, net	**$ 3,072**	$ 6,375
Realized and unrealized gains on investments	**327**	666
	$ 3,399	$ 7,041

4. PROPERTY AND EQUIPMENT

As of December 31, 2021 and 2020, property and equipment consisted of the following:

	2021	2020	Useful Life
Furniture and fixtures	**$ 234,289**	**$ 290,110**	3-7 years
Leasehold improvements	**101,517**	**99,412**	3-5 years
	335,806	**389,522**	
Less: accumulated depreciation	**140,717**	**190,181**	
Property and Equipment, Net	**$ 195,089**	**$ 199,341**	

Depreciation and amortization expense was $55,603 and $54,932, for the years ended December 31, 2021 and 2020, respectively.

5. LOAN PAYABLE – PAYCHECK PROTECTION PROGRAM

During the year ended December 31, 2020, CLASP received a Paycheck Protection Program (PPP) loan in the amount of $817,100. The PPP loan was received from the U.S Federal government under the Coronavirus Aid, Relief and Economic Security (CARES) Act passed by Congress. The terms of the loan required the proceeds to be spent on eligible expenses, which were primarily payroll related costs. Part or all of the loan could be forgiven based on meeting certain conditions as set forth in the loan agreement. Any portion of the PPP loan that is not forgiven must be repaid over two years after a six-month deferral period at an interest rate of 1%.

This loan was fully forgiven during the year ended December 31, 2021 and is recognized as Federal grant revenue in the accompanying statements of activities and changes in net assets for the year ended December 31, 2021.

6. FINANCE LEASE LIABILITY

Effective May 2021, CLASP terminated its finance lease for copiers early and entered into a new finance lease obligation for copiers due to expire in 2026. The monthly base lease payment is $3,198 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 $178,623 using an interest rate of 3.25%. The right-of-use asset and finance lease liability are being amortized over the life of the lease agreement. As of December 31, 2021, the unamortized right-of-use asset was $158,776. The prior lease for the copiers was terminated and the related asset and liability were removed.

Future minimum lease payments at December 31, 2021 are as follows:

For the Years Ending December 31,	Amount
2022	$ **38,376**
2023	**38,376**
2024	**38,376**
2025	**38,376**
2026	**25,584**
Total	**179,088**
Less: interest at 3.25%	**13,128**
Total	$ **165,960**

Interest expense for the year ended December 31, 2021 and 2020, was $5,414 and $10,527, respectively.

7. OPERATING LEASE LIABILITY

On October 10, 2019, CLASP entered into a sublease agreement for new office space in Washington, D.C. The 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 received rent abatement as follows: (i) the basic rent is abated for the first three (3) months of the first lease year; and (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 lease also calls for CLASP to pay a security deposit in the amount of $49,466. The security deposit is included in the right-of-use asset – operating lease in the accompanying statements of financial position.

As of December 31, 2021 and 2020, the unamortized right-of-use asset was $5,681,521 and $6,138,208, respectively, and the unamortized operating lease liability was $5,951,224 and $6,323,665, respectively. The lease cost, including imputed interest at 3.25%, and amortization of the right-of-use asset for the year ended December 31, 2021 and 2020, was $657,112 and $383,321, respectively, and is included in occupancy expense in the accompanying statements of functional expenses.

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

For the Years Ending December 31,		Amount
2022	$	**569,620**
2023		**568,708**
2024		**604,310**
2025		**622,439**
2026		**641,112**
Thereafter		**4,110,380**
Total		**7,116,569**
Less: interest		**1,145,498**
Total	**$**	**5,971,071**

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of December 31, 2021 and 2020:

		2021		2020
Purpose restricted funding	**$**	**7,530,202**	$	5,766,377
Time restricted funding (general operating support)		**2,182,625**		2,087,500
	$	**9,712,827**	$	7,853,877

9. RETIREMENT PLAN

CLASP provided benefits to all eligible employees under a 403(b) defined contribution plan (the Plan). Employee contributions are discretionary. Consistent with CLASP's regular practices, CLASP contributes 4% of eligible employees' salary to the plan, annually. Total contributions to the Plan for the years ended December 31, 2021 and 2020, were $134,214 and $181,266, respectively.