

FINANCIAL STATEMENTS



**FOR THE YEAR ENDED DECEMBER 31, 2016
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2015**

CENTER FOR LAW AND SOCIAL POLICY

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Center for Law and Social Policy (CLASP), which comprise the statement of financial position as of December 31, 2016, 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, 2016, 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 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 18, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman Rosenberg & Freedman

April 20, 2017

CENTER FOR LAW AND SOCIAL POLICY
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2015

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,118,479	\$ 3,419,030
Investments	6,635	287,146
Receivables:		
Grants receivable, current portion	3,411,521	1,414,289
Other receivables	43,685	126,272
Prepaid expenses	<u>100,917</u>	<u>183,817</u>
Total current assets	<u>8,681,237</u>	<u>5,430,554</u>
FURNITURE AND EQUIPMENT		
Furniture and equipment	411,433	357,889
Less: Accumulated depreciation and amortization	<u>(265,396)</u>	<u>(215,681)</u>
Net furniture and equipment	<u>146,037</u>	<u>142,208</u>
NON-CURRENT ASSETS		
Grants receivable, net of current portion	216,867	497,044
Deposits	<u>39,160</u>	<u>39,160</u>
Total non-current assets	<u>256,027</u>	<u>536,204</u>
TOTAL ASSETS	<u>\$ 9,083,301</u>	<u>\$ 6,108,966</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Capital lease obligation, current portion	\$ 26,616	\$ 23,484
Accounts payable and accrued liabilities	269,723	208,869
Accrued salaries and related benefits	176,051	162,729
Current portion of deferred rent abatement	<u>30,133</u>	<u>18,984</u>
Total current liabilities	<u>502,523</u>	<u>414,066</u>
NON-CURRENT LIABILITIES		
Capital lease obligation, long-term portion	50,073	76,690
Deferred rent abatement	<u>125,077</u>	<u>155,221</u>
Total non-current liabilities	<u>175,150</u>	<u>231,911</u>
Total liabilities	<u>677,673</u>	<u>645,977</u>
NET ASSETS		
Unrestricted	1,267,205	1,062,582
Temporarily restricted	<u>7,138,423</u>	<u>4,400,407</u>
Total net assets	<u>8,405,628</u>	<u>5,462,989</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,083,301</u>	<u>\$ 6,108,966</u>

See accompanying notes to financial statements.

CENTER FOR LAW AND SOCIAL POLICY

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2015**

	2016			2015
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE				
Foundation grants	\$ 318,000	\$ 9,187,183	\$ 9,505,183	\$ 4,062,435
Contributions	117,317	-	117,317	190,222
Investment income	6,855	-	6,855	949
Other revenue	17,951	-	17,951	19,659
Net assets released from donor restrictions	<u>6,449,167</u>	<u>(6,449,167)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>6,909,290</u>	<u>2,738,016</u>	<u>9,647,306</u>	<u>4,273,265</u>
EXPENSES				
Program Services	<u>5,947,501</u>	<u>-</u>	<u>5,947,501</u>	<u>5,791,354</u>
Supporting Services:				
Management and General	202,366	-	202,366	116,959
Fundraising	<u>554,800</u>	<u>-</u>	<u>554,800</u>	<u>420,217</u>
Total supporting services	<u>757,166</u>	<u>-</u>	<u>757,166</u>	<u>537,176</u>
Total expenses	<u>6,704,667</u>	<u>-</u>	<u>6,704,667</u>	<u>6,328,530</u>
Change in net assets	204,623	2,738,016	2,942,639	(2,055,265)
Net assets at beginning of year	<u>1,062,582</u>	<u>4,400,407</u>	<u>5,462,989</u>	<u>7,518,254</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,267,205</u>	<u>\$ 7,138,423</u>	<u>\$ 8,405,628</u>	<u>\$ 5,462,989</u>

CENTER FOR LAW AND SOCIAL POLICY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2015

	2016				2015	
	Supporting Services			Total Supporting Services	Total Expenses	Total Expenses
	Program Services	Management and General	Fundraising			
Salaries	\$ 2,108,595	\$ 507,865	\$ 317,373	\$ 825,238	\$ 2,933,833	\$ 2,658,474
Benefits	375,679	145,600	-	145,600	521,279	538,339
Payroll taxes	157,450	61,008	-	61,008	218,458	201,517
Occupancy	315,550	151,389	-	151,389	466,939	468,540
Contributions	1,760	3,419	-	3,419	5,179	900
Supplies	15,584	16,977	3,447	20,424	36,008	30,416
Postage and delivery	1,602	1,950	388	2,338	3,940	6,331
Printing and production	2,823	1,082	2,651	3,733	6,556	4,461
Meetings and conventions	184,011	18,908	10,539	29,447	213,458	208,404
Consulting fees	1,524,616	70,402	73,500	143,902	1,668,518	1,644,287
Professional fees	154,885	81,915	-	81,915	236,800	260,420
Telephone	26,812	14,533	-	14,533	41,345	59,665
Travel and entertainment	147,408	15,077	3,640	18,717	166,125	118,728
Subscriptions and publications	8,722	8,199	457	8,656	17,378	11,866
Depreciation and amortization	35,829	13,886	-	13,886	49,715	38,970
Dues and registration	17,653	9,674	9,486	19,160	36,813	32,258
Repairs and maintenance	10,103	7,183	-	7,183	17,286	9,523
Insurance	8,732	3,384	-	3,384	12,116	11,825
Interest expense	8,147	3,157	-	3,157	11,304	14,336
Other	1,252	276	-	276	1,528	6,827
Temporary help	90	31,548	8,451	39,999	40,089	-
Bank fees	-	-	-	-	-	28
Equipment	-	-	-	-	-	2,415
Subtotal	5,107,303	1,167,432	429,932	1,597,364	6,704,667	6,328,530
Allocation of management and general	840,198	(965,066)	124,868	(840,198)	-	-
TOTAL	\$ 5,947,501	\$ 202,366	\$ 554,800	\$ 757,166	\$ 6,704,667	\$ 6,328,530

CENTER FOR LAW AND SOCIAL POLICY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2015**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,942,639	\$ (2,055,265)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	49,715	38,970
Realized and unrealized (gain) loss on investments	(1,720)	9,141
Change in discount on long term grants receivable	(11,169)	19,302
(Increase) decrease in:		
Grants receivable	(1,705,886)	1,702,983
Other receivables	82,587	(112,950)
Prepaid expenses	82,900	(112,992)
Increase (decrease) in:		
Accounts payable and accrued liabilities	60,854	68,963
Accrued salaries and related benefits	13,322	5,933
Deferred rent abatement	<u>(18,995)</u>	<u>(8,030)</u>
Net cash provided (used) by operating activities	<u>1,494,247</u>	<u>(443,945)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(53,544)	(52,835)
Purchases of investments	(10,826)	(9,030)
Proceeds from sales of investments	<u>293,057</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>228,687</u>	<u>(61,865)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital lease obligations	<u>(23,485)</u>	<u>(20,721)</u>
Net cash used by financing activities	<u>(23,485)</u>	<u>(20,721)</u>
Net increase (decrease) in cash and cash equivalents	1,699,449	(526,531)
Cash and cash equivalents at beginning of year	<u>3,419,030</u>	<u>3,945,561</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,118,479</u>	<u>\$ 3,419,030</u>
SUPPLEMENTAL INFORMATION		
Interest Paid	<u>\$ 11,304</u>	<u>\$ 14,336</u>

CENTER FOR LAW AND SOCIAL POLICY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

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

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

Basis of accounting -

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

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with CLASP's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

Cash and cash equivalents -

CLASP considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, CLASP maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income in the Statement of Activities and Change in Net Assets.

Grants receivable -

Grants receivable approximate fair value. 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 grants and 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. Amortization of assets held under capital leases is included with depreciation expense. The cost of maintenance and repairs is recorded as expenses are incurred.

CENTER FOR LAW AND SOCIAL POLICY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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

Net assets classification -

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

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

Contributions and grants -

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

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

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

Income taxes -

CLASP is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. CLASP is not a private foundation.

Uncertain tax positions -

For the year ended December 31, 2016, 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.

CENTER FOR LAW AND SOCIAL POLICY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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 measurement. 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. These reclassifications had no effect on the previously reported changes in net assets.

New accounting pronouncement -

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, intended to improve financial reporting for not-for-profit entity. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statement of Activities and Change in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of CLASP's financial statements, it is not expected to alter CLASP's reported financial position activities.

2. **INVESTMENTS**

Investments consisted of the following at December 31, 2016:

	<u>Cost</u>	<u>Fair Value</u>
Common Stocks	\$ 6,705	\$ 6,635

Included in investment income are the following:

Interest and dividends	\$ 5,135
Unrealized loss	(70)
Realized gain	<u>1,790</u>
TOTAL INVESTMENT INCOME	\$ <u>6,855</u>

CENTER FOR LAW AND SOCIAL POLICY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

3. PENSION PLAN

CLASP has a defined contribution retirement plan, which covers all eligible employees. Employer contributions are discretionary. Total contributions to the plan for the year ended December 31, 2016 were \$109,994.

4. GRANTS RECEIVABLE

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

Following is a summary, by years, of grants receivable as of December 31, 2016:

<u>Year Ending December 31,</u>	
2017	\$ 3,411,521
2018	<u>225,000</u>
	3,636,521
Less: Discount on long-term receivables	<u>(8,133)</u>
GRANTS RECEIVABLE, NET	<u>\$ 3,628,388</u>

5. COMMITMENTS

In December 2009, CLASP signed a lease for office space under a ten-year agreement, which commenced in May 2010. Base rent is \$41,463 per month, increasing by a factor of 2% per year, plus a proportionate share of expenses. Rent for May and June 2010 was abated. Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability in the Statement of Financial Position. The current and long-term portion of deferred rent for the year ended December 31, 2016, was \$30,133 and \$125,077, respectively.

At December 31, 2016, the future minimum rental payments required under these lease is as follows:

<u>Year Ending December 31,</u>	
2017	\$ 567,767
2018	579,218
2019	590,746
2020	<u>299,271</u>
	<u>\$ 2,037,002</u>

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

Rent expense for the year ended December 31, 2016 totaled \$466,939, net of rental income of \$75,071.

CENTER FOR LAW AND SOCIAL POLICY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

6. CAPITAL LEASES

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

As of December 31, 2016, the cost and related accumulated amortization of the leased assets were \$128,563 and \$68,567, respectively.

Future minimum lease payments at December 31, 2016 are as follows:

<u>Year Ending December 31,</u>		
2017		\$ 34,788
2018		34,788
2019		<u>20,758</u>
		90,334
Less: Interest		<u>(13,645)</u>
		76,689
Less: Current portion		<u>(26,616)</u>
LONG-TERM PORTION		<u>\$ 50,073</u>

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2016:

George Gund Foundation	\$ 100,000
Chabot-Las Positas Community College District	142,500
Alliance for Early Success	325,000
Ford Foundation	973,009
Fidelity Charity Trust	1,142,500
Heising-Simons Foundation	600,000
Education Commission of the States	245,000
W. K. Kellogg Foundation	848,672
Center for Community Change	50,000
JP Morgan Chase Foundation	859,344
Chippewa Valley Technical College	52,000
James Irvine Foundation	300,000
Northwest Area Foundation	100,000
Foundation for Child Development	400,000
Center for American Progress	152,735
Doris Duke Charities	27,777
New Directions	7,500
Lumina Foundation	400,000
JPB Foundation	196,386
Irving Harris Foundation	40,000
Workforce Enterprise Service	15,000
ACLS Fellowship	36,000
Annie Casey Foundation	<u>125,000</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 7,138,423</u>

CENTER FOR LAW AND SOCIAL POLICY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

8. NET ASSETS RELEASED FROM RESTRICTIONS

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

Ford Foundation	\$ 490,491
W.K. Kellogg Foundation	96,810
The Urban Institute	753,618
Center for American Progress	640,873
Fidelity Charitable Trust	2,062,130
Lumina Foundation	112,500
Workforce Enterprise Services	5,000
Irving Harris Foundation	20,000
Alliance for Early Success	225,000
Annie E. Casey Foundation	65,603
Institute of International Education	15,000
Corporation for Skilled Workforce	16,517
New Directions Foundation	7,500
JP Morgan Chase Foundation	290,656
Brandeis University	12,500
Doris Duke Charities	22,223
The Saint Paul Foundation	37,500
Georgetown University	30,000
JPB Foundation	100,000
National Governors Association	267,500
The City of New York	20,000
New Venture Fund	10,000
Achieving the Dream	102,861
Center for Community Change	29,600
Bill and Melinda Gates Foundation	300,001
Chabot - Las Positas Community College District	292,500
Butler Family Fund	30,000
The Kresge Foundation	172,151
Chippewa Valley Technical College	40,000
Northwest Area Foundation	82,000
James Irvine Foundation	26,633
ACLS Fellowship	<u>72,000</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	\$ <u>6,449,167</u>

9. FAIR VALUE MEASUREMENT

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

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.

CENTER FOR LAW AND SOCIAL POLICY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

9. FAIR VALUE MEASUREMENT (Continued)

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

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

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

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

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2016.

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, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Common Stocks	\$ <u>6,635</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>6,635</u>

10. SUBSEQUENT EVENTS

In preparing these financial statements, CLASP has evaluated events and transactions for potential recognition or disclosure through April 20, 2017, the date the financial statements were issued.