

CLERY CENTER FOR SECURITY ON CAMPUS

FINANCIAL STATEMENTS

Years Ended December 31, 2014 and 2013

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Clery Center for Security On Campus
Wayne, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Clery Center for Security On Campus (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Clery Center for Security On Campus as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2015, on our consideration of Clery Center for Security On Campus's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clery Center for Security On Campus's internal control over financial reporting and compliance.

Dreslin and Company, Inc.

West Chester, Pennsylvania
July 10, 2015

**CLERY CENTER FOR SECURITY ON CAMPUS
STATEMENTS OF FINANCIAL POSITION
December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 280,172	\$ 217,081
Investments	164,505	162,583
Accounts Receivable	1,363	-
Grants Receivable	4,605	20,505
Prepaid Expenses	-	2,600
TOTAL CURRENT ASSETS	<u>450,645</u>	<u>402,769</u>
FIXED ASSETS		
Office Furniture, Equipment, and Website Costs	44,675	42,937
Less: Accumulated Depreciation	<u>(34,277)</u>	<u>(30,973)</u>
FIXED ASSETS - NET	<u>10,398</u>	<u>11,964</u>
OTHER ASSETS		
Security Deposits	<u>5,400</u>	<u>5,400</u>
TOTAL ASSETS	<u><u>\$ 466,443</u></u>	<u><u>\$ 420,133</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 5,857	\$ 12,812
Accrued Payroll	11,484	7,764
Deferred Revenue	<u>7,180</u>	<u>6,360</u>
TOTAL (CURRENT) LIABILITIES	<u>24,521</u>	<u>26,936</u>
NET ASSETS		
Unrestricted		
Board-Designated	175,321	169,323
Undesignated	<u>266,601</u>	<u>223,874</u>
TOTAL NET ASSETS	<u>441,922</u>	<u>393,197</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 466,443</u></u>	<u><u>\$ 420,133</u></u>

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

**CLERY CENTER FOR SECURITY ON CAMPUS
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2014 and 2013**

	2014	2013
UNRESTRICTED NET ASSETS		
Revenues and Other Support		
Contributions		
Foundations	\$ 83,263	\$ 77,970
Other	180,090	148,666
Grants - Federal	208,293	123,408
Program Fees	524,133	442,070
Investment Income	7,226	22,022
TOTAL REVENUES AND OTHER SUPPORT	1,003,005	814,136
Expenses		
Program Services		
Clery Act Training Conferences	310,163	250,778
National Campus Safety Awareness Month	17,436	15,708
Outreach and Education	277,457	88,432
Victim Advocacy	4,968	8,308
Awareness Initiatives	106,100	91,121
Clery Center Collaborative Program	97,320	64,137
Total Program Services	813,444	518,484
Support Services		
Management and General	104,372	116,955
Fundraising	36,464	43,846
TOTAL EXPENSES	954,280	679,285
CHANGE IN NET ASSETS	48,725	134,851
NET ASSETS - BEGINNING OF YEAR	393,197	258,346
NET ASSETS - END OF YEAR	\$ 441,922	\$ 393,197

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

**CLERY CENTER FOR SECURITY ON CAMPUS
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2014 and 2013**

	Program Services						Support Services			Total
	Clery Act Training Seminars	National Campus Safety Awareness Month	Outreach and Education	Victim Advocacy	Awareness Initiatives	Clery Center Collaborative Program	Total	Manage- ment and General	Fund- raising	
<u>2014</u>										
Salaries, Wages, and Benefits	\$ 105,592	\$ 15,793	\$ 122,783	\$ 4,811	\$ 53,189	\$ 81,346	\$ 383,514	\$ 11,480	\$ 31,805	\$ 426,799
Program Services	119,866	-	87,416	-	32,415	8,411	248,108	-	-	248,108
Professional Fees	33,448	-	39,955	-	18,900	1,500	93,803	24,609	-	118,412
Office and Occupancy	980	147	4,666	45	494	1,942	8,274	33,073	295	41,642
Other Expenses	50,277	1,496	22,637	112	1,102	4,121	79,745	35,210	4,364	119,319
Total Expenses	<u>\$ 310,163</u>	<u>\$ 17,436</u>	<u>\$ 277,457</u>	<u>\$ 4,968</u>	<u>\$ 106,100</u>	<u>\$ 97,320</u>	<u>\$ 813,444</u>	<u>\$ 104,372</u>	<u>\$ 36,464</u>	<u>\$ 954,280</u>
<u>2013</u>										
Salaries, Wages, and Benefits	\$ 87,563	\$ 15,026	\$ 48,808	\$ 7,752	\$ 38,928	\$ 35,694	\$ 233,771	\$ 45,010	\$ 39,961	\$ 318,742
Program Services	77,400	47	28,205	228	41,922	4,722	152,524	-	-	152,524
Professional Fees	37,808	-	3,390	-	5,226	15,582	62,006	11,994	-	74,000
Office and Occupancy	3,003	193	2,124	99	499	1,050	6,968	30,623	512	38,103
Other Expenses	45,004	442	5,905	229	4,546	7,089	63,215	29,328	3,373	95,916
Total Expenses	<u>\$ 250,778</u>	<u>\$ 15,708</u>	<u>\$ 88,432</u>	<u>\$ 8,308</u>	<u>\$ 91,121</u>	<u>\$ 64,137</u>	<u>\$ 518,484</u>	<u>\$ 116,955</u>	<u>\$ 43,846</u>	<u>\$ 679,285</u>

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

**CLERY CENTER FOR SECURITY ON CAMPUS
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 48,725	\$ 134,851
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	3,304	4,988
Realized and Unrealized (Gains) Losses on Investments	2,642	(16,904)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(1,363)	510
Grants Receivable	15,900	(9,202)
Prepaid Expenses	2,600	(2,600)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Payroll	(3,235)	(507)
Deferred Revenue	820	-
	<u>69,393</u>	<u>111,136</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of Investments	3,861	54,609
Purchases of Investments	(8,425)	(26,675)
Payments for Office Equipment	(1,738)	(6,363)
	<u>(6,302)</u>	<u>21,571</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
NET INCREASE IN CASH	63,091	132,707
CASH - BEGINNING OF YEAR	<u>217,081</u>	<u>84,374</u>
CASH - END OF YEAR	<u>\$ 280,172</u>	<u>\$ 217,081</u>

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

CLERY CENTER FOR SECURITY ON CAMPUS NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Clery Center for Security On Campus (the “Organization”) was organized as a Pennsylvania Non-Profit Corporation on October 9, 1987 for the purpose of educating the public on college campus security and promoting college campus security reform. The Organization’s current mission is to work with college and university communities to create safer campuses. The Organization operates the following programs:

- Jeanne Clery Act Training Seminars – Jeanne Clery Act Training seminars are conducted across the United States for college and university campus police and administrators to promote compliance with the Federal Jeanne Clery Act crime reporting requirements and policies.
- National Campus Safety Awareness Month – As part of its mission to raise awareness regarding campus crime, the Organization secures Congressional designation of September as National Campus Safety Awareness Month. During that month, the Organization provides support for colleges and universities to conduct campus crime safety and awareness programs.
- Outreach and Education – The Organization operates a program designed to provide outreach and education to high schools, colleges, parents, and campus administrators.
- Victim Advocacy – The Organization operates a toll-free campus crime victim assistance and referral hot-line, providing free advocacy, technical assistance, support, and referral sources to victims and professional experts.
- Awareness Initiatives – Activities or events to raise general or specific campus safety awareness/education that does not fit any of the other specific program categories. Examples are policy and legislative issues, speaking engagements, webinars, or networking opportunities.
- Clery Center Collaborative Program – The Clery Center Collaborative Program is a team-based learning membership program that brings together colleges and universities to build cost-effective, customized, and sustainable approaches to campus safety and Clery Act compliance.

The Organization operates an educational website and provides educational materials including brochures and videos, as well as a newsletter. The Organization’s support comes primarily from individual donor and foundation contributions, and grants.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization had no restricted net assets as of December 31, 2014 and 2013.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Fixed Assets

Equipment is stated at cost. Additions, renewals, and improvements, unless of a relatively minor amount, are capitalized. Expenditures for maintenance and repairs are expensed as incurred. Depreciation of fixed assets is provided over the estimated useful lives of the respective assets using the straight-line method.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. The Organization had not received any permanently restricted net assets as of December 31, 2014 or 2013.

Contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the contribution. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Grants Recognized as Exchange Transactions

The Organization receives a significant portion of its funds from federal grants. These grants meet the criteria to be accounted for as exchange transactions whereby each party to a transaction receives and sacrifices something of approximately equal value. Revenue received is recognized as an increase in unrestricted net assets when earned (i.e. as related expenditures are incurred). Revenue received for which related expenditures have not been incurred is classified as deferred revenue.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

Subsequent Events

Management has evaluated subsequent events through July 10, 2015, which is the date the financial statements were available to be issued.

2. BOARD DESIGNATED UNRESTRICTED NET ASSETS

Net assets totaling \$175,321 as of December 31, 2014 (and \$169,323 as of December 31, 2013) represents cash, cash equivalents, and investments held in a board-designated separate account, which management has earmarked for the continuing operation of the Organization.

3. CASH AND CASH EQUIVALENTS

The Organization maintains its cash balances in one financial institution. The Federal Deposit Insurance Corporation insures these interest-bearing accounts for up to \$250,000. The bank balances may at times exceed federally insured limits. Uninsured cash balances totaled \$22,122 as of December 31, 2014; the Organization had no uninsured cash balances as of December 31, 2013.

4. INVESTMENTS

The Organization held investments as of December 31, 2014 and 2013, as follows:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gains (Losses)</u>
	<u>2014</u>		
Marketable Equity Mutual Funds	\$ 51,513	\$ 80,354	\$ 28,841
Fixed Income Mutual Funds	82,345	78,399	(3,946)
Other	6,003	5,752	(251)
Totals	<u>\$ 139,861</u>	<u>\$ 164,505</u>	<u>\$ 24,644</u>

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gains (Losses)</u>
	<u>2013</u>		
Marketable Equity Mutual Funds	\$ 47,400	\$ 75,879	\$ 28,479
Fixed Income Mutual Funds	82,009	80,999	(1,010)
Other	<u>6,003</u>	<u>5,705</u>	<u>(298)</u>
Totals	<u>\$ 135,412</u>	<u>\$ 162,583</u>	<u>\$ 27,171</u>

The following schedule summarizes the investment returns for 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Interest and Dividend Income	\$ 9,868	\$ 5,118
Net Realized Gains (Losses)	(87)	6,395
Net Unrealized Gains (Losses)	<u>(2,555)</u>	<u>10,509</u>
Total Investment Return	<u>\$ 7,226</u>	<u>\$ 22,022</u>

5. FEDERAL GRANTS

Revenue from federal grants for 2014 and 2013 included the following:

- U.S. Department of Justice, Office on Violence Against Women: This grant was awarded to provide training and technical assistance to campus program grantees on Jeanne Clery Act requirements and to provide related services. The original grant award of \$150,005 was approved in 2009 and covered the period August 1, 2010 through March 31, 2012. In 2012, an additional grant award of \$200,000 was approved, extending the grant period through September 30, 2015. Revenue recognized for 2014 totaled \$31,364, and revenue recognized for 2013 totaled \$68,467.
- Federal Emergency Management Agency (FEMA): This grant award of \$231,870 was approved in 2013 and covers the period June 11, 2013 through June 10, 2014. Revenue recognized for 2014 totaled \$176,929, and revenue recognized for 2013 totaled \$54,941.

Revenues from all federal grants totaled \$208,293 for 2014 and \$123,408 for 2013.

6. MAJOR DONORS

The Organization's support comes primarily from individual donor and foundation contributions, and grants. In 2014, contributions from the top three donors totaled \$129,313. In 2013, contributions from the top three donors totaled \$135,770.

7. LEASE OBLIGATIONS

Currently, the Organization rents office facilities under a lease agreement that covers the period June 1, 2012 through May 31, 2017 and currently provides for monthly rental payments of \$2,700. Rent expense under this lease totaled \$31,900 for 2014 and \$30,700 for 2013.

In addition, the Organization leases certain office equipment. The current lease arrangement is for a period of 36 months expiring in June 2016. Rent expense under equipment leases totaled \$5,379 for 2014 and \$4,651 for 2013.

Future minimum lease payments required are as follows:

<u>Year</u>	<u>Office Facilities</u>	<u>Office Equipment</u>	<u>Total</u>
2015	\$ 33,100	\$ 5,988	\$ 39,088
2016	34,300	2,994	37,294
2017	<u>14,500</u>	<u>-</u>	<u>14,500</u>
Totals	<u>\$ 81,900</u>	<u>\$ 8,982</u>	<u>\$ 90,882</u>

8. RETIREMENT PLAN

In 2013, the Organization adopted a defined contribution SIMPLE retirement plan for its employees. Employees are eligible to participate after one year of service. Employer contributions match employee contributions up to 3% of participating employees' wages. Employer contributions totaled \$4,038 for 2014 and \$1,384 for 2013.

8. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB ASC 820-10 (formerly SFAS No. 157, *Fair Value Measurements*), establishes 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 Organization's investments in mutual funds are stated at fair values based on "level 1" inputs, which represent unadjusted quoted prices for identical assets in active markets. The mutual funds are valued at the net asset value of shares held by the Organization as of December 31, 2014 and 2013, respectively. There have been no changes to the valuation methodology used at December 31, 2014 and 2013.

The carrying amounts of cash, cash equivalents, and other financial instruments reported in the statement of financial position approximate their fair values because of the short maturities of those instruments.

10. CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amount, if any, to be immaterial.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Clery Center for Security On Campus
Wayne, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Clery Center for Security On Campus (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated July 10, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clery Center for Security On Campus's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clery Center for Security On Campus's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clery Center for Security On Campus' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dreslin and Company, Inc.

July 10, 2015