



MOODY, FAMIGLIETTI & ANDRONICO
Certified Public Accountants & Consultants

SCIENCE CLUB FOR GIRLS, INC.

FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

To the Board of Directors
Science Club for Girls, Inc.
Cambridge, Massachusetts

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Science Club for Girls, Inc. ("the Organization"), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, 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 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 Science Club for Girls, Inc. as of June 30, 2014, 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.



Prior Period Financial Statements

The 2013 financial statements were reviewed by us, and our report thereon, dated January 9, 2014, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Moody, Famiglietti & Andronico, LLP

Moody, Famiglietti & Andronico, LLP
Tewksbury, Massachusetts
November 11, 2014

Statements of Financial Position
Science Club for Girls, Inc.

June 30	(Audited) 2014	(Reviewed) 2013
Assets		
Current Assets:		
Cash and Equivalents	\$ 150,326	\$ 91,637
Pledges Receivable	91,260	100,691
Prepaid Expenses	3,769	2,222
Total Current Assets	245,355	194,550
Assets Whose Use is Limited	60,298	60,268
Property and Equipment, Net of Accumulated Depreciation	917	1,417
Total Assets	\$ 306,570	\$ 256,235
Liabilities and Net Assets		
Current Liabilities:		
Line of Credit	\$ -	\$ -
Accounts Payable and Accrued Expenses	18,306	12,797
Total Current Liabilities	18,306	12,797
Net Assets:		
Unrestricted Net Assets:		
Available for Operations	118,049	38,953
Board Designated	60,298	60,268
Investment in Property and Equipment	917	1,417
Total Unrestricted Net Assets	179,264	100,638
Temporarily Restricted Net Assets	109,000	142,800
Total Net Assets	288,264	243,438
Total Liabilities and Net Assets	\$ 306,570	\$ 256,235

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

For the Years Ended June 30	(Audited) 2014	(Reviewed) 2013
Changes in Unrestricted Net Assets:		
Revenue and Other Support:		
Net Assets Released from Restrictions	\$ 269,850	\$ 296,164
Contributions	162,679	82,116
Donated Goods and Services	171,337	133,337
Grants	108,414	24,250
Special Events, Net of Direct Expenses of \$4,384 and \$6,639, Respectively	105,236	71,029
Program Service Revenue	3,000	2,570
Interest Income	80	108
Miscellaneous	-	1,053
Total Unrestricted Revenue and Other Support	820,596	610,627
Expenses:		
Program Services:		
Science Clubs	286,341	234,726
Junior Mentors	228,923	175,796
Special Programs	29,774	41,274
Volunteer Training	10,017	-
Summer Programs	3,746	3,821
Total Program Services	558,801	455,617
Supporting Services:		
General and Administrative	150,649	124,994
Fundraising	32,520	46,251
Total Supporting Services	183,169	171,245
Total Expenses	741,970	626,862
Increase (Decrease) in Unrestricted Net Assets	78,626	(16,235)
Changes in Temporarily Restricted Net Assets:		
Temporarily Restricted Grants and Contributions	236,050	289,500
Net Assets Released from Restrictions	(269,850)	(296,164)
Decrease in Temporarily Restricted Net Assets	(33,800)	(6,664)
Increase (Decrease) in Net Assets	44,826	(22,899)
Net Assets, Beginning of Year	243,438	266,337
Net Assets, End of Year	\$ 288,264	\$ 243,438

(Audited)

For the Year Ended June 30

2014

	Program Services						Supporting Services		Total
	Science Clubs	Junior Mentors	Special Programs	Volunteer Training	Summer Programs	Program Services	General and Administrative	Fundraising	
Salaries and Related Benefits	\$ 204,634	\$ 146,383	\$ 27,672	\$ -	\$ 3,746	\$ 382,435	\$ 44,018	\$ 28,115	\$ 454,568
Donated Goods and Services	73,179	40,402	-	4,916	-	118,497	49,540	3,300	171,337
Outside Contractors	718	17,250	-	2,125	-	20,093	-	924	21,017
Rent	-	-	-	-	-	-	16,995	-	16,995
Professional Fees	-	-	-	15	-	15	15,725	-	15,740
Supplies	5,470	7,070	715	1,911	-	15,166	-	-	15,166
Youth Stipends	-	14,149	-	-	-	14,149	-	-	14,149
Travel	63	1,674	1,305	-	-	3,042	4,384	-	7,426
Insurance	-	-	-	-	-	-	6,225	-	6,225
Technology	-	-	-	72	-	72	3,061	181	3,314
Training	525	725	-	801	-	2,051	886	-	2,937
Office Expenses	-	-	-	13	-	13	2,823	-	2,836
Telecommunications	-	-	-	-	-	-	2,469	-	2,469
Payroll Processing Fees	-	-	-	-	-	-	2,304	-	2,304
Food	647	1,231	18	149	-	2,045	-	-	2,045
Miscellaneous	-	-	-	-	-	-	1,475	-	1,475
Printing and Publications	1,105	39	64	15	-	1,223	-	-	1,223
Depreciation	-	-	-	-	-	-	500	-	500
Licenses and Fees	-	-	-	-	-	-	144	-	144
Recruitment	-	-	-	-	-	-	100	-	100
Total Functional Expenses	\$ 286,341	\$ 228,923	\$ 29,774	\$ 10,017	\$ 3,746	\$ 558,801	\$ 150,649	\$ 32,520	\$ 741,970

Statements of Functional Expenses (Continued)

Science Club for Girls, Inc.

(Reviewed)

For the Year Ended June 30

2013

	Program Services					Supporting Services		Total
	Science Clubs	Junior Mentors	Special Programs	Summer Programs	Program Services	General and Administrative	Fundraising	
Salaries and Related Benefits	\$ 156,108	\$ 86,089	\$ 36,776	\$ 3,821	\$ 282,794	\$ 56,662	\$ 34,078	\$ 373,534
Donated Program Services	58,149	44,326	1,938	-	104,413	18,526	10,398	133,337
Outside Contractors	5,106	11,082	-	-	16,188	-	475	16,663
Rent	-	-	-	-	-	11,495	-	11,495
Professional Fees	-	-	-	-	-	16,307	-	16,307
Supplies	8,464	2,764	693	-	11,921	-	274	12,195
Youth Stipends	-	23,115	-	-	23,115	-	-	23,115
Travel	3,110	4,282	1,728	-	9,120	1,366	-	10,486
Insurance	-	-	-	-	-	3,723	-	3,723
Technology	-	-	-	-	-	381	-	381
Training	2,105	250	-	-	2,355	1,446	-	3,801
Office Expenses	-	-	-	-	-	7,132	-	7,132
Telecommunications	-	-	-	-	-	2,724	-	2,724
Payroll Processing Fees	-	-	-	-	-	2,176	-	2,176
Food	884	3,277	78	-	4,239	-	-	4,239
Miscellaneous	-	-	-	-	-	1,282	-	1,282
Printing and Publications	800	611	61	-	1,472	-	546	2,018
Depreciation	-	-	-	-	-	272	-	272
Licenses and Fees	-	-	-	-	-	144	-	144
Recruitment	-	-	-	-	-	1,358	-	1,358
Meetings and Conferences	-	-	-	-	-	-	480	480
Total Functional Expenses	\$ 234,726	\$ 175,796	\$ 41,274	\$ 3,821	\$ 455,617	\$ 124,994	\$ 46,251	\$ 626,862

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

For the Years Ended June 30	(Audited) 2014	(Reviewed) 2013
Cash Flows from Operating Activities:		
Increase (Decrease) in Net Assets	\$ 44,826	\$ (22,899)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation	500	272
Decrease (Increase) in Pledges Receivable	9,431	(34,176)
Increase in Prepaid Expenses	(1,547)	(1,565)
Increase in Accounts Payable and Accrued Expenses	5,509	5,062
Net Cash Provided by (Used in) Operating Activities	58,719	(53,306)
Cash Flows from Investing Activities:		
Purchase of Assets Whose Use is Limited	(30)	(58)
Acquisitions of Property and Equipment	-	(1,500)
Net Cash Used in Investing Activities	(30)	(1,558)
Net Increase (Decrease) in Cash and Equivalents	<u>58,689</u>	<u>(54,864)</u>
Cash and Equivalents, Beginning of Year	<u>91,637</u>	<u>146,501</u>
Cash and Equivalents, End of Year	<u><u>\$ 150,326</u></u>	<u><u>\$ 91,637</u></u>

1. Organization and Summary of Significant Accounting Policies:

Nature of Organization: Science Club for Girls, Inc. (the "Organization"), a nonprofit organization located in Cambridge, Massachusetts, was established in 2003 to provide after-school enrichment programs for girls in grades K through 12, which bring women scientists and girls together in science clubs that focus on science, technology, engineering and mathematics (STEM).

Method of Accounting: The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Fair Value: The framework for measuring fair value 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). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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 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 maximize the use of observable inputs and minimize the use of unobservable inputs.

Classification and Reporting of Net Assets: The Organization reports 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. These classifications are related to the existence or absence of donor-imposed restrictions and are as follows:

- Unrestricted net assets represent the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for support of the Organization, as well as funds invested in property and equipment and board designated funds.
- Temporarily restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations, or by law.
- Permanently restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. As of June 30, 2014 and 2013, the Organization does not have any permanently restricted net assets.

Cash and Equivalents: The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has a cash management program which provides for the

1. Organization and Summary of Significant Accounting Policies (Continued):

investment of excess cash balances primarily in money market accounts, which are valued using Level 1 inputs, and considers such highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Pledges Receivable: Pledges receivable consist of amounts due in less than one year and include revenues that have been recognized, but not yet received and are carried at the value the Organization expects to receive, net of any allowance for uncollectible amounts.

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, cash equivalents and pledges receivable. The Organization maintains its cash and cash equivalents with high-credit quality financial institutions. Pledges receivable are carried at the outstanding balance, less an estimate made for doubtful receivables, if any. Management determines the allowance for doubtful accounts by identifying troubled receivables and by using historical experience applied to an aging of receivables, based on payment history and assessment of the donor's credit worthiness. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. As of June 30, 2014 and 2013, there is no allowance for uncollectible pledges.

Assets Whose Use is Limited: As of June 30, 2014 and 2013, assets whose use is limited represent funds invested in a money market account designated by the Organization's Board of Directors for future use. These funds are valued using Level 1 inputs.

Property and Equipment: Property and equipment are recorded at cost on the date of acquisition. Depreciation is computed using the straight-line method over an estimated useful life of three to five years.

Revenue Recognition: Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Grant revenues that do not constitute contributions are recognized upon the performance of reimbursable activities.

Revenue relating to special events is generally recorded when the event takes place and is shown net of direct costs of the event and the cost benefits to donors.

Contributions: Contributions, including unconditional promises to give, are recognized as revenues at fair value at the date the promise is received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions received with donor-imposed restrictions that are met in the same year in which they are received are reported as revenues of the temporarily restricted net asset class. Contributions received with donor-imposed restrictions that are met subsequent to the year in which they are received are also reported as revenues of the temporarily restricted net asset class when they are recognized into revenue. A reclassification to unrestricted net assets is made to reflect the expiration of such restrictions in the year the restriction is met.

Contributions of services are reported as revenue and expenses of the unrestricted net asset class at the fair value of the service received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals who possess those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses of the unrestricted net asset class at the time the goods or space is received.

1. Organization and Summary of Significant Accounting Policies (Continued):

Functional Allocation of Expenses: Expenses are reported as decreases in unrestricted net assets. The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis. Accordingly, based upon management's estimates, certain costs have been allocated among major classes of program services and supporting activities as shown in the statements of functional expenses. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated as appropriate.

Income Taxes: The Organization is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from unrelated trade or business income. The Organization has determined that it does not have any liabilities associated with unrelated trade or business income and as a result, no provision for income taxes is presented in these financial statements.

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities.

The Organization has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of June 30, 2014 and 2013. The Organization does not expect any material change in uncertain tax benefits within the next twelve months.

As of June 30, 2014 and 2013, the Organization is not currently under examination by any taxing authorities and is generally open to examination for three years from the date of filing.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the Organization may differ from those estimates.

Subsequent Events: Management has evaluated subsequent events spanning the period from June 30, 2014 through November 11, 2014, the date the financial statements were available to be issued.

2. Donated Goods and Services:

The Organization receives donated goods and services relating to administrative expenses. The estimated fair value for goods and services is determined by the donor or by management. During the years ended June 30, 2014 and 2013, the Organization received donated IT services, marketing services, fundraising donations and transportation services and office supplies in the amounts of \$52,840 and \$28,924, respectively.

In addition, the Organization receives donated goods and services relating to programs from volunteers with specific expertise. During the years ended June 30, 2014 and 2013, the Organization received donated program goods and services from volunteers with specific expertise in the amounts of \$118,497 and \$104,413, respectively.

3. Property and Equipment:

As of June 30, 2014 and 2013, property and equipment consisted of computer equipment with an original cost of \$3,117 and a net book value of \$917 and \$1,417, respectively. For the years ended June 30, 2014 and 2013, depreciation expense amounted to \$500 and \$272, respectively.

4. Line of Credit:

On December 20, 2013, the Organization entered into a revolving line of credit agreement with a bank with a maximum borrowing amount of \$50,000, which is due on demand. The line of credit is subject to annual renewal, bears interest at the bank's prime rate, plus 2.0% (5.25% at June 30, 2014) and is secured by substantially all of the Organization's assets. The Organization did not utilize the line of credit during the year ended June 30, 2014.

5. Temporarily Restricted Net Assets:

Temporarily restricted net assets, which include unexpended contributions, pledges receivable, and grants temporarily restricted by donors, consist of the following as of June 30, 2014 and 2013:

	2014	2013
Purpose and Time Restricted:		
Programs:		
FY 2015 STEM	\$ 15,000	\$ -
Girls Internship Program		
Program	-	50,000
FY 2014 STEM	-	15,000
Summer Program	-	7,800
	<u>15,000</u>	<u>72,800</u>
Purpose Restricted:		
Programs:		
Magnificent Minds		
Book Project	14,000	-
Time Restricted:		
FY 2015 Operations	80,000	-
FY 2014 Operations	-	70,000
	<u>80,000</u>	<u>70,000</u>
	<u>\$ 109,000</u>	<u>\$ 142,800</u>

6. Net Assets Released from Restrictions:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors or passage of time. Net assets released from restriction during the years ended June 30, 2014 and 2013 were expended to satisfy the following purposes:

	2014	2013
Science Clubs and Junior		
Mentor Program	\$ 127,050	\$ 171,164
FY 2014 Operations	70,000	-
Girls Internship Program		
Program	50,000	-
FY 2014 STEM	15,000	-
Summer Program	7,800	7,500
CELLS	-	56,500
FY 2013 Vacation Week		
Program	-	20,000
Special Event - Catalyst	-	15,000
FY 2013 Operations	-	26,000
	<u>\$ 269,850</u>	<u>\$ 296,164</u>

7. Operating Leases:

The Organization is party to an operating lease agreement for its office facility, which contains an option to renew annually and requires monthly payments in the amount of \$2,000. In July 2014, the Organization renewed the lease agreement through August 2015. For the years ended June 30, 2014 and 2013, rent expense incurred by the Organization amounted to \$16,995 and \$11,495, respectively. Future minimum payments due under this lease agreement amount to \$23,600 and \$4,000, for the years ending June 30, 2015 and June 30, 2016, respectively.

8. Indemnifications:

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of June 30, 2014 and 2013, no amounts have been accrued related to such indemnification provisions.

