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MOODY, FAMIGLIETTI & ANDRONICO  
Certified Public Accountants & Consultants

2013  
Review

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SCIENCE CLUB FOR GIRLS, INC.  
FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012

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MOODY, FAMIGLIETTI & ANDRONICO  
Certified Public Accountants & Consultants

2013  
Review  
043718

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

**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

We have reviewed the accompanying statements of financial position of Science Club for Girls, Inc. (the "Organization") as of June 30, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Moody, Famiglietti & Andronico, LLP*

Moody, Famiglietti & Andronico, LLP  
Tewksbury, Massachusetts  
January 9, 2013

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## Statements of Financial Position

Science Club for Girls, Inc.  
(See Independent Accountants' Review Report)

June 30	2013	2012
<b>Assets</b>		
Current Assets:		
Cash and Equivalents	\$ 91,637	\$ 146,501
Pledges Receivable	100,691	66,515
Prepaid Expenses	2,222	657
<b>Total Current Assets</b>	<b>194,550</b>	<b>213,673</b>
Assets Whose Use is Limited (Board Designated)	60,268	60,210
Property and Equipment, Net of Accumulated Depreciation	1,417	189
<b>Total Assets</b>	<b>\$ 256,235</b>	<b>\$ 274,072</b>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 12,797	\$ 7,735
Net Assets:		
Unrestricted Net Assets:		
Available for Operations	38,953	56,474
Board Designated	60,268	60,210
Investment in Property and Equipment	1,417	189
<b>Total Unrestricted Net Assets</b>	<b>100,638</b>	<b>116,873</b>
Temporarily Restricted Net Assets	142,800	149,464
<b>Total Net Assets</b>	<b>243,438</b>	<b>266,337</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 256,235</b>	<b>\$ 274,072</b>

Statements of Activities

Science Club for Girls, Inc.  
 (See Independent Accountants' Review Report)

For the Years Ended June 30	2013	2012
<b>Changes in Unrestricted Net Assets:</b>		
Revenue and Other Support:		
Net Assets Released from Restrictions	\$ 296,164	\$ 228,583
Donated Goods and Services	133,337	142,797
Contributions	82,116	79,013
Special Events, Net of Direct Expenses of \$6,639 and \$5,130, Respectively	71,029	31,133
Grants	24,250	71,450
Program Service Revenue	2,570	125
Miscellaneous	1,053	-
Interest Income	108	198
<b>Total Unrestricted Revenue and Other Support</b>	<b>610,627</b>	<b>553,299</b>
Expenses:		
Program Services:		
Science Clubs	234,726	229,681
Junior Mentors	175,796	140,239
Special Programs	41,274	40,133
Summer Programs	3,821	10,352
<b>Total Program Services</b>	<b>455,617</b>	<b>420,405</b>
Supporting Services:		
General and Administrative	124,994	117,652
Fundraising	46,251	34,319
<b>Total Supporting Services</b>	<b>171,245</b>	<b>151,971</b>
<b>Total Expenses</b>	<b>626,862</b>	<b>572,376</b>
<b>Decrease in Unrestricted Net Assets</b>	<b>(16,235)</b>	<b>(19,077)</b>
<b>Changes in Temporarily Restricted Net Assets:</b>		
Temporarily Restricted Grants and Contributions	289,500	211,455
Net Assets Released from Restrictions	(296,164)	(228,583)
<b>Decrease in Temporarily Restricted Net Assets</b>	<b>(6,664)</b>	<b>(17,128)</b>
<b>Decrease in Net Assets</b>	<b>(22,899)</b>	<b>(36,205)</b>
Net Assets, Beginning of Year	266,337	302,542
<b>Net Assets, End of Year</b>	<b>\$ 243,438</b>	<b>\$ 266,337</b>

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	\$ 152,096	\$ 82,077	\$ 36,776	\$ 3,821	\$ 274,770	\$ 56,662	\$ 34,078	\$ 365,510	
Donated Program Services	58,149	44,326	1,938	-	104,413	-	-	104,413	
Youth Stipends	-	23,115	-	-	23,115	-	-	23,115	
Donated Goods and Services	-	-	-	-	-	18,526	10,398	28,924	
Outside Contractors	5,106	11,082	-	-	16,188	-	475	16,663	
Professional Fees	-	-	-	-	-	16,307	-	16,307	
Supplies	8,464	2,764	693	-	11,921	-	274	12,195	
Insurance	4,012	4,012	-	-	8,024	3,723	-	11,747	
Rent	-	-	-	-	-	11,495	-	11,495	
Travel	3,110	4,282	1,728	-	9,120	1,366	-	10,486	
Office Expenses	-	-	-	-	-	7,132	-	7,132	
Food	884	3,277	78	-	4,239	-	-	4,239	
Training	2,105	250	-	-	2,355	1,446	-	3,801	
Telecommunications	-	-	-	-	-	2,724	-	2,724	
Payroll Processing Fees	-	-	-	-	-	2,176	-	2,176	
Printing and Publications	800	611	61	-	1,472	-	546	2,018	
Recruitment	-	-	-	-	-	1,358	-	1,358	
Miscellaneous	-	-	-	-	-	1,282	-	1,282	
Meetings and Conferences	-	-	-	-	-	-	480	480	
Technology	-	-	-	-	-	381	-	381	
Depreciation	-	-	-	-	-	272	-	272	
Licenses and Fees	-	-	-	-	-	144	-	144	
<b>Total Functional Expenses</b>	<b>\$ 234,726</b>	<b>\$ 175,796</b>	<b>\$ 41,274</b>	<b>\$ 3,821</b>	<b>\$ 455,617</b>	<b>\$ 124,994</b>	<b>\$ 46,251</b>	<b>\$ 626,862</b>	

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

For the Year Ended June 30

2012

	Program Services					Supporting Services			Total
	Science Clubs	Junior Mentors	Special Programs	Summer Programs	Program Services	General and Administrative	Fundraising		
Salaries and Related Benefits	\$ 152,146	\$ 53,884	\$ 24,747	\$ 8,071	\$ 238,848	\$ 50,648	\$ 30,351	\$ 319,847	
Donated Program Services	57,531	50,144	8,907	2,080	118,662	-	-	118,662	
Youth Stipends	-	14,028	-	-	14,028	-	-	14,028	
Outside Contractors	2,613	17,725	2,812	-	23,150	3,472	436	27,058	
Professional Fees	-	-	-	-	-	11,155	-	11,155	
Supplies	7,053	1,568	1,255	42	9,918	-	1,040	10,958	
Insurance	4,443	887	-	-	5,330	4,245	-	9,575	
Rent	-	-	-	-	-	13,350	-	13,350	
Donated Goods and Services	-	-	-	-	-	18,485	1,650	20,135	
Travel	1,858	1,038	1,802	77	4,775	966	-	5,741	
Office Expenses	-	-	-	-	-	3,368	241	3,609	
Food	1,176	555	310	61	2,102	-	-	2,102	
Training	1,955	192	-	-	2,147	1,976	-	4,123	
Telecommunications	-	-	-	-	-	1,508	-	1,508	
Payroll Processing Fees	-	-	-	-	-	2,120	-	2,120	
Printing and Publications	906	218	300	21	1,445	-	477	1,922	
Recruitment	-	-	-	-	-	240	-	240	
Miscellaneous	-	-	-	-	-	405	-	405	
Meetings and Conferences	-	-	-	-	-	-	124	124	
Technology	-	-	-	-	-	985	-	985	
Depreciation	-	-	-	-	-	324	-	324	
Licenses and Fees	-	-	-	-	-	155	-	155	
Donated Program Expenses	-	-	-	-	-	4,000	-	4,000	
Charitable Contributions	-	-	-	-	-	250	-	250	
<b>Total Functional Expenses</b>	<b>\$ 229,681</b>	<b>\$ 140,239</b>	<b>\$ 40,133</b>	<b>\$ 10,352</b>	<b>\$ 420,405</b>	<b>\$ 117,652</b>	<b>\$ 34,319</b>	<b>\$ 572,376</b>	

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

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Statements of Cash Flows

Science Club for Girls, Inc.  
(See Independent Accountants' Review Report)

For the Years Ended June 30	2013	2012
Cash Flows from Operating Activities:		
Decrease in Net Assets	\$ (22,899)	\$ (36,205)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Used in Operating Activities:		
Depreciation	272	324
Increase in Pledges Receivable	(34,176)	(34,923)
(Increase) Decrease in Prepaid Expenses	(1,565)	112
Increase in Accounts Payable and Accrued Expenses	5,062	3,450
<b>Net Cash Used in Operating Activities</b>	<b>(53,306)</b>	<b>(67,242)</b>
Cash Flows from Investing Activities:		
Acquisitions of Property and Equipment	(1,500)	-
Purchase of Assets Whose Use is Limited	(58)	(91)
<b>Net Cash Used in Investing Activities</b>	<b>(1,558)</b>	<b>(91)</b>
Net Decrease in Cash and Equivalents	<u>(54,864)</u>	<u>(67,333)</u>
Cash and Equivalents, Beginning of Year	<u>146,501</u>	<u>213,834</u>
Cash and Equivalents, End of Year	<u><u>\$ 91,637</u></u>	<u><u>\$ 146,501</u></u>

**1. Organization and 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, 2013 and 2012, 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 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. An allowance for uncollectible pledges receivable is provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution and nature of fund raising activities. As of June 30, 2013 and 2012, there is no allowance for uncollectible pledges.

*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.

*Assets Whose Use is Limited:* As of June 30, 2013 and 2012, 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. Expenses are reported as decreases in unrestricted net assets. 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.

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**1. Organization and Significant Accounting Policies (Continued):**

*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, 2013 and 2012. The Organization does not expect any material change in uncertain tax benefits within the next twelve months.

As of June 30, 2013 and 2012, 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, 2013 through January 9, 2014, the latter representing the issuance date of these financial statements.

**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 year ended June 30, 2013 and 2012, the Organization received donated IT services, marketing services, fundraising donations and transportation services and office supplies in the amount of \$28,924 and \$20,135.

In addition, the Organization receives donated services relating to program services from volunteers with specific expertise. During the years ended June 30, 2013 and 2012, the Organization received donated program services from volunteers with specific expertise in the amounts of \$104,413 and \$118,662, respectively. During the year ended June 30, 2012, the Organization also received donated program supplies in the amount of \$4,000.

**3. Property and Equipment:**

As of June 30, 2013 and 2012, property and equipment consisted of computer equipment with a cost of \$3,117 and \$1,617 and a net book value of \$1,417 and \$189, respectively. For the years ended June 30, 2013 and 2012, depreciation expense amounted to \$272 and \$324, respectively.

**4. 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, 2013 and 2012:

	2013	2012
<b>Purpose and Time Restricted:</b>		
<b>Programs:</b>		
Girls Internship Program		
Program	\$ 50,000	\$ -
FY 2014 STEM	15,000	-
Summer Program	7,800	7,500
Science Club and Junior		
Mentor Program	-	29,000
Career Exploration,		
Leadership, Life Skills		
("CELLS") Program	-	23,000
FY 2013 Vacation Week		
Program	-	20,000
	<u>72,800</u>	<u>79,500</u>
<b>Purpose Restricted:</b>		
<b>Programs:</b>		
Science Club and Junior		
Mentor Program	-	39,949
<b>Time Restricted:</b>		
FY 2014 Operations	70,000	-
FY 2013 Operations	-	26,000
Pledges Receivable	-	4,015
	<u>70,000</u>	<u>30,015</u>
	<u>\$ 142,800</u>	<u>\$ 149,464</u>

**5. 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, 2013 and 2012 were expended to satisfy the following purposes:

	2013	2012
<b>Science Clubs and Junior</b>		
Mentor Program	\$ 171,164	\$ 66,666
CELLS	56,500	76,295
FY 2013 Vacation Week		
Program	20,000	20,000
Special Event - Catalyst	15,000	3,422
FY 2013 Operations	26,000	15,000
Summer Program	7,500	2,500
FY 2012 Curriculum		
Development	-	24,955
Evaluation	-	14,145
GHANA	-	4,000
Rocket Team	-	1,600
	<u>\$ 296,164</u>	<u>\$ 228,583</u>

**6. 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 \$1,600. In August 2013, the Organization renewed the lease agreement through July 2014. For the years ended June 30, 2013 and 2012, rent expense incurred by the Organization amounted to \$11,495 and \$13,350, respectively. Future minimum payments due under this lease agreement amount to \$18,713 and \$1,600 for the years ending June 30, 2014 and 2015, respectively.

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**7. Retirement Plan:**

The Organization sponsors an IRC Section 403(b) plan for eligible employees, which allows participants to defer a portion of their salaries into a variety of investment options. The Plan allows for employee salary deferrals not to exceed the legal limit. The Organization does not contribute to the Plan. There were no retirement expenses incurred by the Organization for the years ended June 30, 2013 and 2012.

**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, 2013 and 2012, no amounts have been accrued related to such indemnification provisions.

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