MOODY, FAMIGLIETTI & ANDRONICO
Certified Public Accountants & Consultants

SCIENCE CLUB FOR GIRLS, INC.

FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

MOODY, FAMIGLIETTI & ANDRONICO
Certified Public Accountants & Consultants

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 statements of financial position as of June 30, 2017 and 2016, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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, 2017 and 2016, 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.

Emphasis-of-Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that Science Club for Girls, Inc. will continue as a going concern. As discussed in Note 1 to the financial statements, Science Club for Girls, Inc.'s Board of Directors has elected to suspend all program activities effective January 1, 2018, in an effort to control costs while the Organization focuses on fundraising efforts and additional strategic opportunities. These conditions raise substantial doubt about Science Club for Girls, Inc.'s ability to continue as a going concern. Management's plans regarding these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

Moody, Famigliette & Andronico, LLP

Moody, Famiglietti & Andronico, LLP
Tewksbury, Massachusetts
January 30, 2018

June 30		2017		2016
Assets				
Current Assets:				
Cash and Cash Equivalents	$	**180,587**	$	140,667
Current Portion of Contributions Receivable		**133,348**		72,197
Prepaid Expenses		**2,388**		3,606
Total Current Assets		**316,323**		216,470
Assets Whose Use Is Limited		**47,811**		82,772
Contributions Receivable, Net of Current Portion		**-**		33,334
Total Assets	**$**	**364,134**	$	332,576
Liabilities and Net Assets				
Current Liabilities:				
Line of Credit	$	**-**	$	-
Accounts Payable and Accrued Expenses		**14,000**		7,243
Total Current Liabilities		**14,000**		7,243
Net Assets:				
Unrestricted Net Assets:				
Available for Operations		**53,156**		56,011
Board Designated		**47,811**		82,772
Total Unrestricted Net Assets		**100,967**		138,783
Temporarily Restricted Net Assets		**249,167**		186,550
Total Net Assets		**350,134**		325,333
Total Liabilities and Net Assets	**$**	**364,134**	$	332,576

For the Years Ended June 30		2017		2016
Changes in Unrestricted Net Assets:				
Revenue and Other Support:				
Net Assets Released from Restrictions	**$**	**333,583**	$	202,424
Contributions		**209,464**		373,276
Donated Goods and Services		**161,829**		149,470
Special Events, Net of Direct Expenses of $8,553 and $21,570, Respectively		**77,925**		52,658
Program Service Revenues		**21,280**		14,330
Interest Income		**87**		74
Total Unrestricted Revenue and Other Support		**804,168**		792,232
Expenses:				
Program Services:				
K-5 Programs		**324,705**		289,800
Teen Programs		**287,022**		238,542
Volunteer Training		**73,121**		47,700
Total Program Services		**684,848**		576,042
Supporting Services:				
General and Administrative		**97,498**		157,186
Fundraising		**59,638**		65,469
Total Supporting Services		**157,136**		222,655
Total Expenses		**841,984**		798,697
Decrease in Unrestricted Net Assets		**(37,816)**		(6,465)
Changes in Temporarily Restricted Net Assets:				
Temporarily Restricted Contributions		**396,200**		337,974
Net Assets Released from Restrictions		**(333,583)**		(202,424)
Increase in Temporarily Restricted Net Assets		**62,617**		135,550
Increase in Net Assets		**24,801**		129,085
Net Assets, Beginning of Year		**325,333**		196,248
Net Assets, End of Year	**$**	**350,134**	$	325,333

For the Year Ended June 30 **2017**

	Program Services				Supporting Services		
	K-5 Programs	Teen Programs	Volunteer Training	Total Program Services	General and Administrative	Fundraising	Total
Salaries and Related Benefits	$ 198,609	$ 198,609	$ 63,845	$ 461,063	$ 58,390	$ 50,782	$ 570,235
Donated Goods and Services	104,999	47,101	3,529	155,629	6,200	-	161,829
Rent	9,628	9,628	-	19,256	1,481	2,963	23,700
Professional Fees	-	-	-	-	17,500	-	17,500
Youth Stipends	-	13,650	-	13,650	-	-	13,650
Supplies	5,031	5,607	2,371	13,009	7	499	13,515
Printing and Publications	1,418	730	1,100	3,248	363	4,455	8,066
Travel	2,410	4,677	-	7,087	698	15	7,800
Technology	224	3,848	-	4,072	1,610	-	5,682
Insurance	595	595	-	1,190	3,188	520	4,898
Food	180	818	2,266	3,264	138	-	3,402
Telecommunications	713	713	-	1,426	1,884	-	3,310
Licenses and Fees	-	-	-	-	2,078	-	2,078
Payroll Processing Fees	-	-	-	-	2,044	-	2,044
Office Expenses	80	228	10	318	1,288	194	1,800
Scholarships	500	500	-	1,000	-	-	1,000
Training	318	318	-	636	50	210	896
Outside Contractors	-	-	-	-	450	-	450
Miscellaneous	-	-	-	-	129	-	129
Total Functional Expenses	$ 324,705	$ 287,022	$ 73,121	$ 684,848	$ 97,498	$ 59,638	$ 841,984

For the Year Ended June 30 **2016**

	Program Services				Supporting Services		
	K-5 Programs	Teen Programs	Volunteer Training	Total Program Services	General and Administrative	Fundraising	Total
Salaries and Related Benefits	$ 180,512	$ 142,661	$ 41,770	$ 364,943	$ 100,947	$ 57,820	$ 523,710
Donated Goods and Services	86,112	54,550	-	140,662	8,808	-	149,470
Rent	13,762	6,778	-	20,540	1,580	1,580	23,700
Professional Fees	-	-	-	-	18,740	-	18,740
Youth Stipends	-	9,610	-	9,610	-	-	9,610
Supplies	3,678	4,006	2,068	9,752	96	-	9,848
Printing and Publications	62	73	21	156	449	920	1,525
Travel	714	3,138	205	4,057	-	4,950	9,007
Technology	-	3,116	-	3,116	5,349	-	8,465
Insurance	3,449	-	1,699	5,148	5,063	193	10,404
Food	1,103	440	1,887	3,430	198	-	3,628
Telecommunications	-	-	-	-	3,101	-	3,101
Licenses and Fees	-	-	-	-	2,568	-	2,568
Payroll Processing Fees	-	-	-	-	884	-	884
Office Expenses	-	-	-	-	1,978	6	1,984
Scholarships	-	500	-	500	-	-	500
Training	408	570	50	1,028	477	-	1,505
Outside Contractors	-	13,100	-	13,100	130	-	13,230
Miscellaneous	-	-	-	-	5,656	-	5,656
Recruitment	-	-	-	-	745	-	745
Depreciation	-	-	-	-	417	-	417
Total Functional Expenses	$ 289,800	$ 238,542	$ 47,700	$ 576,042	$ 157,186	$ 65,469	$ 798,697

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

For the Years Ended June 30	**2017**	2016
Cash Flows from Operating Activities:		
Increase in Net Assets	**$ 24,801**	$ 129,085
Adjustments to Reconcile Increase in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	**-**	417
Increase in Contributions Receivable	**(27,817)**	(80,170)
Decrease (Increase) in Prepaid Expenses	**1,218**	(576)
Increase (Decrease) in Accounts Payable and Accrued Expenses	**6,757**	(4,936)
Net Cash Provided by Operating Activities	**4,959**	43,820
Cash Flows from Investing Activities:		
Purchase of Assets Whose Use Is Limited	**-**	(53,771)
Proceeds from Assets Whose Use Is Limited	**34,961**	-
Net Cash Provided by (Used In) Investing Activities	**34,961**	(53,771)
Net Increase (Decrease) in Cash and Cash Equivalents	**39,920**	(9,951)
Cash and Cash Equivalents, Beginning of Year	**140,667**	150,618
Cash and Cash Equivalents, End of Year	**$ 180,587**	$ 140,667

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

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).

Liquidity: The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Organization is subject to a number of risks and uncertainties common to nonprofit organizations including its ability to successfully raise and collect contributions to fund operations.

Subsequent to June 30, 2017, the Organization experienced a decrease in contributions and therefore, the Organization's Board of Directors elected to suspend all program activities effective January 1, 2018, to control costs while the Organization focuses on fundraising efforts and additional strategic opportunities.

Management has developed an operating plan designed to control operating costs and raise additional contributions in an effort to continue to fund operations. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Fair Value Measurements: 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.

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

- 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, 2017 and 2016, the Organization does not have any permanently restricted net assets.

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.

Program service revenues are recorded after the service takes place, provided persuasive evidence of an arrangement exists, the cost is fixed or determinable and the collectability of the related receivable is probable. Interest income is recorded when earned.

Revenue relating to special events is generally recorded when the event takes place and is shown net of direct costs of the event that directly benefit the 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.

Cash and Cash Equivalents: The Organization maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits.

The Organization has a cash management program which provides for the investment of excess cash balances primarily in money market accounts and considers such highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Assets Whose Use Is Limited: As of June 30, 2017 and 2016, assets whose use is limited represent funds invested in a money market account (cash equivalent) designated by the Organization's Board of Directors for future use. Use of these funds by the Organization is subject to the approval of the Organization's Board of Directors.

Contributions Receivable: Contributions receivable consist of amounts due from donors for unconditional promises to give that have been recognized as revenues, but not yet received. Contributions receivable are carried at the value the Organization expects to receive, net of any allowance for uncollectible amounts and discounts.

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

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, cash equivalents, assets who use is limited and contributions receivable. The Organization maintains its cash, cash equivalents and assets whose use is limited with high-credit quality financial institutions. Contributions 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, 2017 and 2016, there is no allowance for uncollectible receivables.

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.

Functional Allocation of Expenses: Expenses are reported as decreases in unrestricted net assets. The cost 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.

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.

Reclassification: Certain accounts in the June 30, 2016 financial statements have been reclassified for comparative purposes to conform to the presentation in the June 30, 2017 financial statements. The Organization reclassified amounts from assets whose use is limited to cash and cash equivalents on the statement of financial position.

Subsequent Events: Management has evaluated subsequent events spanning the period from June 30, 2017 through January 30, 2018, 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 fair value for goods and services is determined by the donor or by management. During the years ended June 30, 2017 and 2016, the Organization received donated marketing services, fundraising and development services and office supplies in the amounts of $9,729 and $22,623, respectively. During the years ended June 30, 2017 and 2016, the Organization received donated services related to special events in the amount of $2,400 and $21,191.

In addition, the Organization receives donated goods and services relating to programs from volunteers with specific expertise. During the years ended June 30, 2017 and 2016, the Organization received donated program goods and services from volunteers with specific expertise in the amounts of $152,100 and $126,847, respectively.

3. Property and Equipment:

As of June 30, 2017 and 2016, property and equipment consisted of computer equipment with an original cost of $3,117. As of June 30, 2016 these assets were fully depreciated. For the year ended June 30, 2016, depreciation expense amounted to $417.

4. Contributions Receivable:

Contributions receivable consists of the following as of June 30, 2017 and 2016:

	2017	2016
Receivable in Less than One Year	$ 133,348	$ 72,197
Receivable in One to Five Years	-	33,334
	$ 133,348	$ 105,531

As of June 30, 2016, long-term contributions receivable were not discounted as the discount was immaterial to the financial statements taken as a whole.

5. Line of Credit:

The Organization is a party to 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% and is secured by substantially all of the Organization's assets. There was no outstanding balance on the line of credit as of June 30, 2017 and 2016.

6. Temporarily Restricted Net Assets:

Temporarily restricted net assets consist of the following as of June 30, 2017 and 2016:

	2017	2016
Purpose and Time Restricted:		
Programs:		
Cradle to Career	$ 35,000	$ 25,000
Young Leaders in STEM	19,500	12,500
Campus Chapters	-	20,000
	54,500	57,500
Purpose Restricted:		
K-5 and Teen Programs	65,000	29,050
Time Restricted:		
2018 Operations	96,333	33,333
2019 Operations	33,334	33,334
2017 Operations	-	33,333
	129,667	100,000
	$ 249,167	$ 186,550

7. 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, 2017 and 2016 were expended to satisfy the following purposes:

	2017	2016
Young Leaders in STEM	$ 110,800	$ 18,300
K-5 and Teen Programs	99,450	143,787
FY 2017 Operations	83,333	-
Cradle to Career	40,000	25,000
FY 2016 Operations	-	11,337
Magnificent Minds Book Project	-	4,000
	$ 333,583	$ 202,424

8. Operating Leases:

The Organization is party to an operating lease agreement for its office facility, which expires June 30, 2018, as extended, and requires monthly payments in the amount of $1,975. Effective July 1, 2018, the lease agreement requires monthly payments in the amount of $2,075. For each of the years ended June 30, 2017 and 2016, rent expense incurred by the Organization amounted to $23,700. Future minimum payments due under this lease agreement amount to $24,900 for the year ending June 30, 2018.

9. 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, 2017 and 2016, no amounts have been accrued related to such indemnification provisions.

1 Highwood Drive | Tewksbury, MA 01876