



ALRAY TAYLOR SECOND CHANCE SCHOLARSHIP FUND CORPORATION

**Financial Statements
June 30, 2022
(With Comparative Totals for 2021)**



ALRAY TAYLOR SECOND CHANCE SCHOLARSHIP FUND CORPORATION

FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

Table of Contents

	<u>PAGE</u>
Independent Accountants' Review Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-9

To the Board of Directors
Alray Taylor Second Chance Scholarship Fund Corporation
Boston, Massachusetts

Independent Accountants' Review Report

We have reviewed the accompanying financial statements of Alray Taylor Second Chance Scholarship Fund Corporation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 as a whole. Accordingly, we do not express such an opinion.

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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

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



GONZALEZ & ASSOCIATES, P.C.
Certified Public Accountants

Stoughton, Massachusetts
October 27, 2022

ALRAY TAYLOR SECOND CHANCE SCHOLARSHIP FUND CORPORATION

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

ASSETS

	<u>2022</u>	<u>2021</u>
<u>Current Assets</u>		
Cash	\$ 642,191	\$ 535,977
Prepaid expenses	2,301	3,289
Total current assets	<u>644,492</u>	<u>539,266</u>
<u>Equipment</u>		
Equipment	4,738	1,221
Less: accumulated depreciation	(2,054)	(1,221)
Total property and equipment	<u>2,684</u>	<u>0</u>
<u>Total Assets</u>	<u>\$ 647,176</u>	<u>\$ 539,266</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable	\$ 14,072	\$ 10,412
Total current liabilities	<u>14,072</u>	<u>10,412</u>
<u>Net Assets</u>		
Without donor restrictions	537,505	482,539
With donor restrictions	95,599	46,315
Total net assets	<u>633,104</u>	<u>528,854</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 647,176</u>	<u>\$ 539,266</u>

See accompanying notes and Independent Accountants' Review Report.

ALRAY TAYLOR SECOND CHANCE SCHOLARSHIP FUND CORPORATION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022		2021	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Support and Revenue</u>				
Contributions	\$ 265,147	\$ 64,250	\$ 329,397	\$ 328,748
Released from restriction	14,966	(14,966)		
Interest income	55		55	252
<u>Total support and revenue</u>	280,168	49,284	329,452	329,000
<u>Expenses</u>				
Program services	159,389		159,389	128,421
General and administrative	36,536		36,536	16,680
Fundraising	29,277		29,277	32,503
<u>Total expenses</u>	225,202		225,202	177,604
<u>Change in Net Assets</u>	54,966	49,284	104,250	151,396
<u>Net Assets - Beginning of Year</u>	482,539	46,315	528,854	377,458
<u>Net Assets - End of Year</u>	<u>\$ 537,505</u>	<u>\$ 95,599</u>	<u>\$ 633,104</u>	<u>\$ 528,854</u>

See accompanying notes and Independent Accountants' Review Report.

ALRAY TAYLOR SECOND CHANCE SCHOLARSHIP FUND CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	2022				2021
	Program Services	General and Administrative	Fundraising	Total	Total
Salaries	\$ 65,218	\$ 9,692	\$ 19,385	\$ 94,295	\$ 47,667
Payroll taxes	5,684	824	1,729	8,237	4,280
Benefits	3,150			3,150	
Subtotal	74,052	10,516	21,114	105,682	51,947
Advertising	883		2,187	3,070	2,890
Awards	55,179			55,179	85,419
Bank fees		630		630	
Board expenses		662		662	
Consultants	10,463	14,385	2,623	27,471	18,517
Depreciation	575	83	175	833	
Dues and subscriptions	3,125			3,125	225
Filing fees		144		144	
Insurance	2,762	324	977	4,063	3,896
Miscellaneous		189		189	
Office supplies	1,127	2,134	129	3,390	1,302
Payroll processing fees		750		750	762
Program expenses	5,909			5,909	4,283
Professional fees		6,008		6,008	6,030
Recruiting	272	136	273	681	333
Rent	5,025	575	900	6,500	2,000
Travel	17			17	
Website			899	899	
Total expenses	<u>\$ 159,389</u>	<u>\$ 36,536</u>	<u>\$ 29,277</u>	<u>\$ 225,202</u>	<u>\$ 177,604</u>

See accompanying notes and Independent Accountants' Review Report.

ALRAY TAYLOR SECOND CHANCE SCHOLARSHIP FUND CORPORATION

STATEMENT OF CASH FLOWS
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022	2021
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 104,250	\$ 151,396
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	833	
(Increase) Decrease in:		
Prepaid expenses	988	(827)
Increase (Decrease) in:		
Accounts payable	3,660	3,000
	109,731	153,569
<u>Net Cash Provided by Operating Activities</u>		
<u>Cash Flows From Investing Activities</u>		
Purchase of fixed assets	(3,517)	0
	(3,517)	0
<u>Net Cash (Used) by Investing Activities</u>		
<u>Cash Flows From Financing Activities</u>		
Forgiveness of PPP loan	0	(10,705)
	0	(10,705)
<u>Net Cash (Used) by Financing Activities</u>		
<u>Increase in Cash and Cash Equivalents</u>	106,214	142,864
<u>Cash and Cash Equivalents - Beginning of Year</u>	535,977	393,113
<u>Cash and Cash Equivalents - End of Year</u>	\$ 642,191	\$ 535,977

See accompanying notes and Independent Accountants' Review Report.

ALRAY TAYLOR SECOND CHANCE SCHOLARSHIP FUND CORPORATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1. Organization

Alray Taylor Second Chance Scholarship Fund Corporation was organized in the Commonwealth of Massachusetts as a not-for-profit corporation on September 17, 2009. The Organization's mission is to provide scholarships, mentoring and educational assistance to graduates of Boston public high schools or Boston charter high schools who are seeking to complete college, trade school or vocational programs which they began upon graduation to complete due to a range of family, personal or educational reasons.

Note 2. Summary of Significant Accounting Policies

- a. Standards of Accounting and Reporting
The organization follows the standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants' "Audit and Accounting Guide for Not-for-Profit Organizations".
- b. Basis of presentation
The financial statements of Alray Taylor Second Chance Scholarship Fund Corporation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require Alray Taylor Second Chance Scholarship Fund Corporation to report information regarding its financial position and activities according to the following net asset classifications:
 - Net assets without donor restrictions
Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Alray Taylor Second Chance Scholarship Fund Corporation management and the board of directors.
 - Net assets with donor restrictions
Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Alray Taylor Second Chance Scholarship Fund Corporation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.
- c. Equipment
These assets are recorded at cost, when purchased or if donated, at their estimated fair market value at date of donation. All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs and betterments that materially prolong the useful lives of assets are capitalized.

ALRAY TAYLOR SECOND CHANCE SCHOLARSHIP FUND CORPORATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

- d. Depreciation
Provisions for depreciation are made in the accounts using the straight-line method. Office equipment and furniture are being depreciated over 3-5 years.
- e. Functional Expenses
The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, depreciation, insurance, and rent, which are allocated on the basis of estimates of time and effort.
- f. Use of Estimates
The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- g. Cash and Cash Equivalents
For purposes of the statement of cash flows, Alray Taylor Second Chance Scholarship Fund Corporation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.
- h. Contributions
Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.
- i. Summarized Comparative Financial Statements
The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

ALRAY TAYLOR SECOND CHANCE SCHOLARSHIP FUND CORPORATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(Continued)

Note 3. Tax Status

Alray Taylor Second Chance Scholarship Fund Corporation is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

Note 4. Concentration of Credit Risk

The Organization maintains its cash balances in a local financial institution. The financial institution's balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. On June 30, 2022 the Organization's uninsured cash balances at the financial institution totaled \$389,361. Management believes it is not exposed to any significant credit risks on its cash balances.

Note 5. Availability and Liquidity

The following represents Alray Taylor Second Chance Scholarship Fund Corporation's financial assets at June 30:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash and cash equivalents	<u>\$ 642,191</u>	<u>\$ 535,977</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 642,191</u>	<u>\$ 535,977</u>

Alray Taylor Second Chance Scholarship Fund Corporation's fiscal goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including savings accounts.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient support and revenue to cover general expenditures not covered by donor-restricted resources.

Note 6. Significant Support

The Organization received grants totaling \$100,000 from one funder, which represents 30% of the organization's total support and revenue for the year.

ALRAY TAYLOR SECOND CHANCE SCHOLARSHIP FUND CORPORATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(Continued)

Note 7. Net Assets

Net assets with donor restrictions were as follows for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Specific Purpose		
Scholarships	\$ 16,150	\$
Mentoring	30,000	
Career services	6,000	
Sam and Mary Swidey Finish Line Fund	43,449	46,315
Total	<u>\$ 95,599</u>	<u>\$ 46,315</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Satisfaction of Purpose Restrictions		
Scholarships	\$ 3,850	\$ 20,000
Sam & Mary Swidey Finish Line Fund	11,116	
Graduate Network Membership		7,500
Total	<u>\$ 14,966</u>	<u>\$ 27,500</u>

Note 8. Subsequent Events

Subsequent events were evaluated through October 27, 2022, which is the date the financial statements were available to be issued.