

DECATUR EDUCATION FOUNDATION, INC.  
FINANCIAL STATEMENTS FOR THE YEARS ENDED  
JUNE 30, 2021 AND 2020  
With Independent Auditor's Report Thereon

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Decatur Education Foundation, Inc.  
Decatur, Georgia

### **Opinion**

We have audited the accompanying financial statements of Decatur Education Foundation, Inc., (“DEF”) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DEF as of June 30, 2021 and 2020 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DEF and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about DEF’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 DEF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about DEF's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Morrow, Georgia  
February 7, 2022

DECATUR EDUCATION FOUNDATION, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2021 AND 2020

ASSETS		2021	2020
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$	576,396	\$ 571,835
Investments		936,457	753,529
Contributions receivable		25,219	41,997
Pledges receivable, less than one year		31,800	30,032
Prepaid expenses		8,765	7,204
<b>TOTAL CURRENT ASSETS</b>		1,578,637	1,404,597
<b>FIXED ASSETS</b>			
Property and equipment, net of accumulated depreciation		9,310	15,013
<b>OTHER ASSETS</b>			
Long-term pledges receivable, net		15,646	54,316
<b>TOTAL ASSETS</b>		\$ 1,603,593	\$ 1,473,926
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$	23,114	\$ 32,740
Payroll liabilities		2,977	-
Current notes payable		-	50,890
<b>TOTAL CURRENT LIABILITIES</b>		26,091	83,630
<b>TOTAL LIABILITIES</b>		26,091	83,630
<b>NET ASSETS</b>			
Without donor restrictions		244,054	151,736
With donor restrictions		1,333,448	1,238,560
<b>TOTAL NET ASSETS</b>		1,577,502	1,390,296
<b>TOTAL LIABILITIES AND NET ASSETS</b>		\$ 1,603,593	\$ 1,473,926

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

DECATUR EDUCATION FOUNDATION, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

	2021 Without Donor <u>Restriction</u>	2021 With Donor <u>Restriction</u>	2021 <u>Total</u>	<u>2020</u>
<b>PUBLIC SUPPORT AND REVENUES</b>				
Contributions	\$ 346,478	\$ 402,121	\$ 748,599	\$ 691,551
Unrealized gain/(loss)	146,434	-	146,434	(46,509)
Grant revenue	99,801	-	99,801	-
Interest revenue	355	25,951	26,306	34,929
In-kind revenue	3,920	-	3,920	10,982
Special events, net	1,754	-	1,754	144,049
Loss on disposal of fixed assets	<u>(133)</u>	<u>-</u>	<u>(133)</u>	<u>-</u>
Public support and revenues	598,609	428,072	1,026,681	835,002
Net assets released from restrictions	<u>333,184</u>	<u>(333,184)</u>	<u>-</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUES</b>	<u>931,793</u>	<u>94,888</u>	<u>1,026,681</u>	<u>835,002</u>
<b>EXPENSES</b>				
Program activities	646,183	-	646,183	598,592
Supporting services				
Management and general expenses	41,587	-	41,587	43,888
Fundraising expenses	<u>151,705</u>	<u>-</u>	<u>151,705</u>	<u>142,374</u>
Total supporting services	<u>193,292</u>	<u>-</u>	<u>193,292</u>	<u>186,262</u>
<b>TOTAL EXPENSES</b>	<u>839,475</u>	<u>-</u>	<u>839,475</u>	<u>784,854</u>
<b>CHANGE IN NET ASSETS</b>	92,318	94,888	187,206	50,148
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>151,736</u>	<u>1,238,560</u>	<u>1,390,296</u>	<u>1,340,148</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 244,054</u>	<u>\$ 1,333,448</u>	<u>\$ 1,577,502</u>	<u>\$ 1,390,296</u>

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

DECATUR EDUCATION FOUNDATION, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUES:</b>			
Contributions	\$ 416,322	\$ 275,229	\$ 691,551
Unrealized loss	(46,509)	-	(46,509)
Interest revenue	775	34,154	34,929
In-kind revenue	10,982	-	10,982
Special events, net	<u>144,049</u>	<u>-</u>	<u>144,049</u>
Public support and revenues	525,619	309,383	835,002
Net assets released from restrictions	<u>284,123</u>	<u>(284,123)</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUES</b>	<b>809,742</b>	<b>25,260</b>	<b>835,002</b>
<b>EXPENSES</b>			
Program activities	598,592	-	598,592
Supporting services			
Management and general	43,888	-	43,888
Fundraising	<u>142,374</u>	<u>-</u>	<u>142,374</u>
Total supporting services	<u>186,262</u>	<u>-</u>	<u>186,262</u>
<b>TOTAL EXPENSES</b>	<u><b>784,854</b></u>	<u><b>-</b></u>	<u><b>784,854</b></u>
<b>CHANGE IN NET ASSETS</b>	<b>24,888</b>	<b>25,260</b>	<b>50,148</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u><b>126,848</b></u>	<u><b>1,213,300</b></u>	<u><b>1,340,148</b></u>
<b>NET ASSETS AT END OF YEAR</b>	<u><b>\$ 151,736</b></u>	<u><b>\$ 1,238,560</b></u>	<u><b>\$ 1,390,296</b></u>

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

DECATUR EDUCATION FOUNDATION, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	Program Activities		Management and General		Fundraising		Totals	
	2021	2020	2021	2020	2021	2020	2021	2020
Grant	\$ 423,389	\$ 335,920	\$ -	\$ -	\$ -	\$ -	\$ 423,389	\$ 335,920
Payroll expenses	133,299	142,707	33,325	32,933	111,084	98,796	277,708	274,436
Scholarships	56,441	80,100	-	-	-	-	56,441	80,100
Other	7,635	10,789	1,908	2,486	19,438	23,370	28,981	36,645
Consulting	8,238	8,316	2,059	3,466	6,863	5,757	17,160	17,539
Office and equipment	6,528	5,281	1,631	1,218	5,441	3,657	13,600	10,156
Communications	5,685	10,472	1,421	2,416	4,738	7,250	11,844	20,138
Services	4,493	3,291	1,124	760	3,744	2,279	9,361	6,330
Meetings	475	227	119	266	397	235	991	728
Travel	-	1,489	-	343	-	1,030	-	2,862
<b>TOTAL EXPENSES</b>	<b>\$ 646,183</b>	<b>\$ 598,592</b>	<b>\$ 41,587</b>	<b>\$ 43,888</b>	<b>\$ 151,705</b>	<b>\$ 142,374</b>	<b>\$ 839,475</b>	<b>\$ 784,854</b>

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

DECATUR EDUCATION FOUNDATION, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 187,206	\$ 50,148
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,703	5,870
Unrealized (gain)/loss	(146,434)	46,509
PPP loan forgiveness	(99,801)	-
Decrease (Increase) in operating assets		
Contributions receivable	16,778	(41,997)
Pledges receivable	36,902	(20,233)
Prepaid insurance	(1,561)	3,364
Increase (Decrease) in operating liabilities		
Accounts payable	(9,626)	29,109
Payroll liabilities	2,977	(2,153)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(7,856)	70,167
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investment	19,750	-
Purchase of investments	(56,244)	(34,271)
NET CASH USED IN INVESTING ACTIVITIES	(36,494)	(34,271)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP loan	48,911	50,890
NET CASH PROVIDED BY FINANCING ACTIVITIES	48,911	50,890
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,561	87,236
CASH AND CASH EQUIVALENTS BEGINNING OF YEARS	571,835	484,599
CASH AND CASH EQUIVALENTS END OF YEARS	\$ 576,396	\$ 571,835

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



DECATUR EDUCATION FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

**1. ORGANIZATION**

Decatur Education Foundation, Inc. (“DEF”) is a charitable, not-for-profit organization that harnesses community resources to provide educational and enrichment opportunities for all Decatur youth.

DEF is an independent nonprofit that works in close partnership with City Schools of Decatur. More specifically, DEF works to:

- Help individuals or organizations implement select ideas to support youth
- Fund special initiatives from City Schools of Decatur
- Host and manage scholarships and other funds for designated purposes
- Connect people and ideas with others to benefit Decatur youth
- Create or join collaborations to address needs and support programs.

The organization’s support comes primarily from individual donors’ contributions, corporate and foundation gifts, and receipts from various fundraising events.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

A. Basis of accounting

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

DEF classifies its net assets and revenues and expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of DEF and changes therein are classified and reported as follows:

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 objective of the organization. These net assets may be used at the discretion of the DEF’s management and the board of directors.

Net assets with donor restrictions – net assets subject to stipulations imposed by donors and grantors. All donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time.

DECATUR EDUCATION FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are reported.

**B. Estimates**

Management of DEF makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. Actual results could differ from these estimates.

**C. Cash and cash equivalents**

For financial statement purposes, highly liquid investments with original maturities of three months or less when purchased are reported as cash and cash equivalents. For the years ended June 30, 2021 and 2020, DEF had cash equivalents of \$153,329 and \$142,078, respectively.

**D. Financial instruments**

The financial instruments shown as assets in the statements of financial position are traditional in nature. The carrying value of cash and cash equivalents and all other financial instruments, including receivables, approximate their fair value.

**E. Investments**

Investments in equity and debt securities are reported at fair value with realized and unrealized gains and losses included in the statement of activities. Realized and unrealized gains or losses on marketable securities are determined by using specific identification.

**F. Property and equipment**

Property and equipment are capitalized at cost. It is DEF's policy to capitalize expenditures for these items in excess of \$1,000. Lesser amounts are expensed. Property and equipment are being depreciated over estimated useful lives of five to ten years using a straight-line method.

DECATUR EDUCATION FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

G. Contributed materials and services

Materials donated to DEF are reflected in the financial statements at the fair value of the materials received. Total contributed materials and services for the years ended June 30, 2021 and 2020 are as follows:

	2021	2020
Donated materials	\$ -	\$ 5,132
Donated services	3,920	5,850
	\$ 3,920	\$ 10,982

H. Functional allocation of expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the DEF. Those expenses including salaries and wages, payroll taxes, office expenses, accounting fees, postage, insurance and depreciation, which are allocated on the basis of estimates of time and effort.

I. Income taxes

DEF qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is only subject to federal or state income taxes on specific types of income from activities that are unrelated to its exempt purpose. DEF had no income from unrelated activities and has no income taxes due as of June 30, 2021 and 2020.

DEF’s application of ASC 740 regarding uncertain tax positions had no effect on its financial position as management believes DEF has no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit tax status. DEF would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense. DEF is no longer subject to examination by federal, state or local tax authorities for periods before 2018.

J. New accounting pronouncement

In May 2014, the Financial Accounting Standards Board Issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU and all subsequently issued clarifying ASUs replace most existing revenue recognition guidance in U.S. GAAP. The ASU may change amounts recognized as revenue when compared to prior revenue recognition guidance. The ASU also requires expanded disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the revenue recognition standard for the year ended June 30, 2021. The adoption did not have a material impact on the financial statements.

DECATUR EDUCATION FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

K. Recent accounting guidance

*ASU No. 2016-02 Leases (Topic 842)*

FASB issued ASU 2016-02, Leases (Topic 842), which will require organizations to recognize assets and liabilities on the balance sheet for the rights and obligations created by the leases. A lessee will be required to recognize assets and liabilities for leases with terms that exceed twelve months. The standard will also require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. ASU No. 2020-05 delayed the application of the new leases standard for one year. As a result, the leases standard is effective for DEF's fiscal year ending June 30, 2023. Early application is permitted.

*ASU No. 2020-07 Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*

The ASU requires that an NFP present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, and disclose the following: (1) A disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets. (2) For each category of contributed nonfinancial assets recognized, qualitative information about whether nonfinancial assets were monetized or utilized; the NFP's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets; donor-imposed restrictions associated with contributed nonfinancial assets; and valuation techniques, inputs, and the principal market used for determining fair value. This ASU is effective for DEF's fiscal year ended June 30, 2022. Retrospective basis is used for implementation.

L. Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform them to the current year's presentation.

M. Subsequent events

Subsequent events have been evaluated through February 7, 2022, which is the date the financial statements were available to be issued.

**3. AVAILABILITY AND LIQUIDITY**

The following represents DEF's financial assets at June 30, 2021 and 2020, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

DECATUR EDUCATION FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**3. AVAILABILITY AND LIQUIDITY – Continued**

Financial assets:	
Cash	\$ 576,396
Investments	936,457
Pledges and contributions receivable	<u>57,019</u>
Financial assets, at year-end	1,569,872
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>1,317,802</u>
Financial assets available to meet general expenditures over the next year	\$ <u>252,070</u>

DEF’s goal is generally to maintain financial assets to meet 6 months of operating expenses. As part of its liquidity plan, DEF keeps a portion of cash reserves in a money market account.

**4. PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Office equipment	\$ 2,587	\$ 2,587
Furniture and equipment	1,718	1,718
Vehicles	26,455	26,455
Less accumulated depreciation	<u>(21,450)</u>	<u>(15,747)</u>
	<u>\$ 9,310</u>	<u>\$ 15,013</u>

**5. FAIR VALUE MEASUREMENTS**

DEF has adopted the provisions of Accounting Standards Codification 820 (“ASC 820”), Fair Value Measurements, for financial assets and liabilities. Under ASC 820, fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels. These levels, in order of highest priority to lowest priority, are described as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Unobservable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Inputs are unobservable inputs for the asset that are supported by little or no market activity and that are significant to the fair value of the underlying asset.

DECATUR EDUCATION FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**5. FAIR VALUE MEASUREMENTS – Continued**

DEF's financial instruments measure at fair value on a recurring basis in accordance with ASC 820 as of June 30, 2021 and 2020, are deemed as Level 1.

**6. OPERATING LEASE**

DEF rents office space on a month-to-month basis. Total rent expense incurred for the year ended June 30, 2021 and 2020 was \$8,670 and \$6,880, respectively.

**7. SPECIAL EVENTS**

DEF conducts several fundraising events throughout the year. The net proceeds from these events are reported as special events revenue in the accompanying statements of activities. The following are summaries of these activities for the year ended June 30, 2021:

	<u>Revenue</u>	<u>Expenses</u>	<u>Excess of revenue over expenses</u>
Tour deCatur	\$ 3,267	\$ 2,064	\$ 1,203
3 <sup>rd</sup> party event	1,423	872	551
Total	<u>\$ 4,690</u>	<u>\$ 2,936</u>	<u>\$ 1,754</u>

The following are summaries of these activities for the year ended June 30, 2020:

	<u>Revenue</u>	<u>Expenses</u>	<u>Excess of revenue over expenses</u>
Tour deCatur	\$ 68,353	\$ 14,908	\$ 53,445
Supper and Sips	97,887	29,247	68,640
Joe's Benefit	19,463	4,906	14,557
Book Sale	10,187	2,780	7,407
Total	<u>\$ 195,890</u>	<u>\$ 51,841</u>	<u>\$ 144,049</u>

**8. LONG-TERM PLEDGES RECEIVABLE**

During the current year, DEF received pledges from various donors. These pledges mature over 10 years. The pledges were discounted in accordance with ASC 820 using effective interest rates of 2-4%. As the pledges are received the amortized discount is recognized as contribution revenue.

DECATUR EDUCATION FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**8. LONG-TERM PLEDGES RECEIVABLE – Continued**

Long-term receivables under these pledges are as follows:

Year ended June 30	
2023	\$ 5,000
2024	5,000
2025	2,000
2026	2,000
2027	2,000
Thereafter	<u>1,000</u>
	17,000
Discount	<u>(1,354)</u>
Total	<u>\$ 15,646</u>

**9. NET ASSETS**

Net assets with donor restrictions were as follows for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditures for:		
Specific purpose:		
Scholarships	\$ 892,724	\$ 705,226
Need based grants	231,867	281,471
School/CSD support	113,549	128,664
Teacher scholarships	42,155	35,045
Fiscal agency programs	21,442	17,183
Other restricted funds	16,065	16,655
Time	<u>15,646</u>	<u>54,316</u>
Total net assets with donor restrictions	<u>\$ 1,333,448</u>	<u>\$ 1,238,560</u>

Net assets with donor restrictions released from restrictions were as follows for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Net assets released from restrictions:		
Scholarships	\$ 62,011	\$ 111,616
Need based grants	139,365	80,218
School/CSD support	128,664	68,616
Teacher scholarships	1,300	-
Fiscal agency programs	741	23,382
Other restricted funds	<u>1,103</u>	<u>291</u>
Total net assets released from restrictions	<u>\$ 333,184</u>	<u>\$ 284,123</u>

DECATUR EDUCATION FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**10. NOTES PAYABLE**

On April 17, 2020, DEF received loan proceeds in the amount of \$50,890 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), provided for loans to eligible entities for amounts up to 2.5 times of the average monthly payroll expenses of the entity. The loans and accrued interest were forgivable as long as the borrower used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities during the twenty-four week period starting from the day the loan proceeds were received. The amount of loan forgiveness in the current year is \$50,890 and is included with grant revenue on the statement of activities.

On February 12, 2021, DEF received loan proceeds in the amount of \$48,911 under the Paycheck Protection Program (PPP). The loan was uncollateralized and was fully guaranteed by the Federal government. The amount of loan forgiveness in the current year is \$48,911 and is included with grant revenue on the statement of activities.

**11. COMMITMENT AND CONTINGENCY**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. DEF is closely monitoring its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on DEF's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on DEF's donors employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact DEF's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.