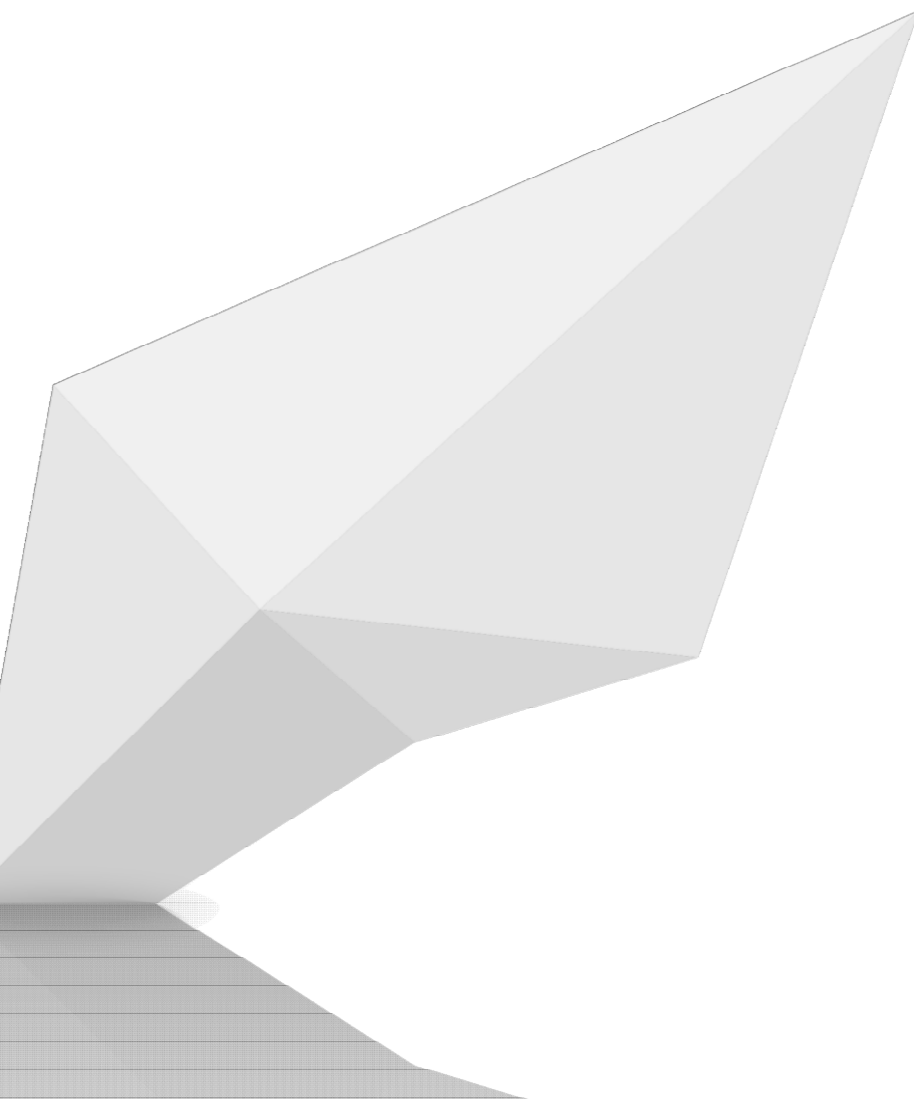


YOUTHBUILD LAKE COUNTY, INC.

Consolidated Financial Statements

Years Ended June 30, 2021 and 2020



WIPFLI

Independent Auditor's Report

To the Board of Directors
Youthbuild Lake County, Inc.
North Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Youthbuild Lake County, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Youthbuild Lake County, Inc. as of June 30, 2021 and 2020 and the changes in its consolidated net assets and consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Wipfli LLP

April 19, 2022
Lincolnshire, Illinois

Youthbuild Lake County, Inc.

Consolidated Statements of Financial Position

<i>June 30,</i>	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 288,818	\$ 285,450
Restricted cash	30,171	30,165
Grants and contracts receivable	475,001	491,217
Contributions receivables	18,468	15,750
Other receivables	-	1,721
Prepaid expenses	13,336	17,681
Total current assets	825,794	841,984
Property and equipment:		
Computers and software	93,974	87,966
Leasehold improvements	8,848	8,848
Furniture and equipment	34,668	34,668
Vehicles	80,442	80,442
Total property and equipment	217,932	211,924
Less: Accumulated depreciation and amortization	(184,892)	(170,657)
Net property and equipment	33,040	41,267
Other assets:		
Property held for sale	12,232	12,232
Construction projects in progress	18,000	18,000
Total other assets	30,232	30,232
Total assets	\$ 889,066	\$ 913,483

Youthbuild Lake County, Inc.
Consolidated Statements of Financial Position (Continued)

<i>June 30,</i>	2021	2020
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 29,349	\$ 43,778
Accrued salaries and vacation	12,522	14,378
Accrued expenses	47,045	86,217
Deferred revenue	10,000	10,000
Refundable advance liability	-	88,631
Total current liabilities	98,916	243,004
Net assets:		
Without donor restrictions	741,152	643,946
With donor restrictions	48,998	26,533
Total net assets	790,150	670,479
Total liabilities and net assets	\$ 889,066	\$ 913,483

See accompanying notes to consolidated financial statements.

Youthbuild Lake County, Inc.

Consolidated Statement of Activities and Changes in Net Assets

<i>Year Ended June 30,</i>	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Public support:			
Contributions and grants	\$ 154,215	\$ 180,706	\$ 334,921
In-kind contributions	101,733	-	101,733
Special event revenues - Net of direct benefit donor expenses	157,013	11,154	168,167
Government grants and contracts	1,090,160	-	1,090,160
Total public support	1,503,121	191,860	1,694,981
Other revenue	21,261	-	21,261
Net assets released from restrictions	169,395	(169,395)	-
Total support and revenue	1,693,777	22,465	1,716,242
Operating expenses:			
Program services	1,059,458	-	1,059,458
Management and general	370,204	-	370,204
Fundraising	166,909	-	166,909
Total operating expenses	1,596,571	-	1,596,571
Change in net assets	97,206	22,465	119,671
Net assets - Beginning of year	643,946	26,533	670,479
Net assets - End of year	\$ 741,152	\$ 48,998	\$ 790,150

See accompanying notes to consolidated financial statements.

Youthbuild Lake County, Inc.

Consolidated Statement of Activities and Changes in Net Assets

<i>Year Ended June 30,</i>	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Public support:			
Contributions and grants	\$ 161,958	\$ 366,620	\$ 528,578
In-kind contributions	106,243	-	106,243
Special event revenues - Net of direct benefit donor expenses	132,694	10,990	143,684
Government grants and contracts	635,284	-	635,284
Total public support	1,036,179	377,610	1,413,789
Loss on sale of property	(2,220)	-	(2,220)
Other revenues	26,101	-	26,101
Net assets released from restrictions	389,250	(389,250)	-
Total support and revenue	1,449,310	(11,640)	1,437,670
Operating expenses:			
Program services	871,652	-	871,652
Management and general	312,783	-	312,783
Fundraising	197,473	-	197,473
Total operating expenses	1,381,908	-	1,381,908
Change in net assets	67,402	(11,640)	55,762
Net assets - Beginning of year	576,544	38,173	614,717
Net assets - End of year	\$ 643,946	\$ 26,533	\$ 670,479

See accompanying notes to consolidated financial statements.

Youthbuild Lake County, Inc.

Consolidated Statement of Functional Expenses

<i>For the Year Ended June 30, 2021</i>	Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 565,814	\$ 226,664	\$ 122,783	\$ 915,261
Employee benefits	14,927	8,396	2,472	25,795
Payroll taxes	48,327	18,998	10,291	77,616
Background checks	2,748	-	-	2,748
Bank charges and credit card fees	-	8	7,789	7,797
Carrying costs	-	1,363	-	1,363
Computer expenses	15,125	3,702	2,036	20,863
Conferences, conventions and meetings	11,834	-	159	11,993
Counseling and wellness services	156,325	-	-	156,325
Depreciation and amortization	12,164	2,071	-	14,235
Dues, subscriptions, and licenses	6,568	2,097	2,500	11,165
Fundraising events	-	-	64,233	64,233
Instructional materials	6,325	-	-	6,325
Insurance	20,475	15,188	1,780	37,443
Interest expense	-	2,482	-	2,482
Miscellaneous	381	7,015	-	7,396
Occupancy	26,760	4,697	1,202	32,659
Office expense, supplies, and postage	2,346	1,916	2,390	6,652
Outreach and recruitment	11,568	4,429	-	15,997
Printing	-	-	1,177	1,177
Professional fees	56,123	63,651	8,950	128,724
Telephone	11,471	6,772	-	18,243
Trainee service gear	6,227	-	-	6,227
Trainee stipends and meals	53,882	-	-	53,882
Training	9,200	719	-	9,919
Transportation assistance	45	-	-	45
Travel	82	36	7	125
Tuition and books	19,492	-	-	19,492
Vehicle expense	1,249	-	-	1,249
Total functional expenses	1,059,458	370,204	227,769	1,657,431
Less: Direct benefit donor expenses	-	-	(60,860)	(60,860)
Total expenses	\$ 1,059,458	\$ 370,204	\$ 166,909	\$ 1,596,571

See accompanying notes to consolidated financial statements.

Youthbuild Lake County, Inc.

Consolidated Statement of Functional Expenses

<i>For the Year Ended June 30, 2020</i>	Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 393,167	\$ 163,072	\$ 124,832	\$ 681,071
Employee benefits	8,003	3,319	2,541	13,863
Payroll taxes	34,228	13,282	10,813	58,323
Background checks	3,715	-	-	3,715
Bank charges and credit card fees	-	2,644	2,188	4,832
Carrying costs	-	4,455	-	4,455
Computer expense	9,270	3,143	2,766	15,179
Conferences, meetings, and events	6,937	30	585	7,552
Counseling and wellness services	147,525	-	-	147,525
Depreciation and amortization	15,670	2,623	234	18,527
Dues, subscriptions, and licenses	2,276	3,589	84	5,949
Entertainment	-	-	13,062	13,062
Instructional materials	6,081	465	221	6,767
Insurance	26,912	16,300	4,129	47,341
Interest expense	-	1,384	-	1,384
Miscellaneous	2,563	1,941	1,743	6,247
Occupancy	30,553	5,023	1,284	36,860
Office expense, supplies, and postage	2,506	5,666	2,816	10,988
Outreach and recruitment	933	515	183	1,631
Printing	-	-	114	114
Professional fees	41,440	79,084	36,396	156,920
Telephone	7,619	6,234	-	13,853
Trainee service gear	19,646	-	-	19,646
Trainee stipends and meals	62,869	-	-	62,869
Training	6,045	-	89	6,134
Transportation assistance	1,395	-	-	1,395
Travel	11,307	14	214	11,535
Tuition and books	27,245	-	-	27,245
Vehicles expense	3,747	-	-	3,747
Total functional expenses	871,652	312,783	204,294	1,388,729
Less: Direct benefit donor expenses	-	-	(6,821)	(6,821)
Total expenses	\$ 871,652	\$ 312,783	\$ 197,473	\$ 1,381,908

See accompanying notes to consolidated financial statements.

Youthbuild Lake County, Inc.

Consolidated Statements of Cash Flows

Years Ended June 30,	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 119,671	\$ 55,762
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	14,235	18,527
Donated stock	-	(2,452)
Loss on sale of property held for sale	-	2,500
Changes in operating assets and liabilities:		
Grants and contracts receivable	16,216	123,608
Contributions receivables	(2,718)	(13,050)
Other receivables	1,721	142
Prepaid expenses	4,345	3,585
Accounts payable	(14,429)	6,064
Accrued salaries and vacation	(1,856)	7,762
Accrued expenses	(39,172)	23,431
Recoupment payable	-	(75,850)
Refundable advance	(88,631)	88,631
Deferred revenue	-	(20,140)
Net cash from operating activities	9,382	218,520
Cash flows from investing activities:		
Proceeds on sale of in-kind construction material	-	2,500
Proceeds from sales of donated stock	-	2,452
Purchases of property and equipment	(6,008)	(30,869)
Net cash from investing activities	(6,008)	(25,917)
Cash flows from financing activities:		
Proceeds from line of credit	-	16,412
Repayments of line of credit	-	(84,048)
Net cash from financing activities	-	(67,636)
Net change in cash	3,374	124,967
Cash and restricted cash, at beginning of year	315,615	190,648
Cash and restricted cash, at end of year	\$ 318,989	\$ 315,615
Supplemental cash flow information:		
Cash paid during the year for:		
Interest	\$ 2,482	\$ 1,384
Noncash activities		
Donated stock	\$ -	\$ 2,452

See accompanying notes to consolidated financial statements.

Youthbuild Lake County, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

Organization

YBLC, Inc. d/b/a Youthbuild Lake County, Inc. (YBLC) provides education and career training services to help at-risk and underserved young adults complete their education, learn the necessary skills to become gainfully employed or enter post-secondary training. YBLC provides career training in the areas of construction, healthcare and transportation. The Organization also builds and rehabilitates affordable homes in Lake County, Illinois, to help youth build a hopeful future for themselves and their families. YBLC Services, LLC d/b/a YouthBuild Lake County Services, LLC, a wholly-owned subsidiary of YBLC, provides internships for members. Collectively, these entities are referred to as “the Organization.” YBLC’s primary sources of revenues are government grants, private grants, and contributions.

Basis of Accounting

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

Principles of Consolidation

The consolidated financial statements include the accounts of YBLC, Inc. d/b/a YouthBuild Lake County, Inc. and its wholly-owned subsidiary, YBLC Services, LLC, d/b/a YouthBuild Lake County Services, LLC. YBLC Services, LLC provides student internships and projects. All significant inter-organizational transactions have been eliminated in consolidation.

Basis of Presentation

The consolidated financial statement presentation follows accounting principles generally accepted in the United States for financial presentation of not-for-profit organizations. Such principles provide that the YBLC is required to report information regarding its consolidated financial position and activities according to two classes of net assets. A definition and description of each class follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions may be designated for specific purposes by the board of directors.
- *Net Assets With Donor Restrictions* - Net assets subject to donor- or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Youthbuild Lake County, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Grants, Contracts, and Contributions Receivable

Grants, contracts and contributions are recorded at fair value and are recognized in the period in which the grant, contract, or contribution is received. Amounts expected to be collected in future years are recorded at the present value of the expected future cash flows. The allowance for doubtful accounts represents estimated losses expected to be incurred in the collection of all receivables based on management's evaluation of outstanding receivables at the end of each year. YBLC considers these receivables to be collectible, and, therefore, no allowance for uncollectible amounts has been recorded.

Property Held for Sale

YBLC holds various properties available for sale due to the completion of construction projects. Fair value for these properties are determined by the fair value of similar properties in the same neighborhood area based on market appraisal.

Property and Equipment

Property and equipment are carried at cost. YBLC capitalizes purchases with a cost of \$1,000 or more. Depreciation is calculated on straight-line method over their estimated useful lives, which range from three to five years. Leasehold improvements are amortized over the lesser of the useful lives of the assets or the term of the lease. Software is amortized over three years. Gains and losses from the sale of property and equipment are included in changes in net assets. Maintenance and repairs are charged to operations. Depreciation expense for the years ended June 30, 2021 and 2020, was \$14,235 and \$14,868, respectively. Amortization expense was \$0 and \$3,659 for the years ended June 30, 2021 and 2020, respectively, and is included in depreciation and amortization expense on the consolidated statements of functional expenses.

Construction Projects in Progress

Construction projects in progress include both direct costs incurred and in-kind contributions of materials related to the properties under construction in North Chicago and Zion, Illinois.

Youthbuild Lake County, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Public Support

Contributions and Grants

Contributions are recognized as revenue when they are received or unconditionally promised. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is when a stipulated time restriction expires or the purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Unconditional promises to give are recognized as assets and as revenue in the period promised. Conditional promises to give are recognized when the conditions upon which they depend are substantially met.

Grants are recorded either as contributions or exchange transactions based on criteria contained in the grant award.

- *Grant Awards That Are Contributions* - Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are reflected as deferred revenue.
- *Grant Awards That Are Exchange Transactions* - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a refundable advance contract liability.

In-Kind Contributions

Gifts of property and equipment are recorded as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, YBLC reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Youthbuild Lake County, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Public Support (Continued)

Special Event Revenues

YBLC records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. YBLC typically receives payment for the event in advance, based on a set ticket price. Special event revenue received in advance is recorded as deferred revenue and is recognized at the point in time when the event occurs.

Government Grants and Contracts

Support funded by government contracts, which qualify as conditional promises to give, are recognized when the condition of performing the contracted services is met. Revenue is therefore recognized as earned as the eligible expenses are incurred. These expenditures are subject to audit and acceptance by the granting organization and, as a result of such audit, adjustments could be required.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the consolidated statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function based on time and effort. YBLC charges direct program expenses directly to each program. YBLC uses a salary allocation based on time and effort to allocate all shared costs to program, management and general, or fundraising.

Income Taxes

YBLC are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and are similarly exempt for Illinois income taxes. YBLC is also exempt from Illinois sales tax.

Future Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-Financial Assets* (Topic 958). The amendments in this update will require entities to present contributed nonfinancial assets as a separate line item in the statement of activities, expand disclosures on the various contributed nonfinancial assets recognized, including disaggregated category types, the valuation techniques and inputs used to arrive at fair value, and the policy for either monetizing or utilizing contributed nonfinancial assets. The amendments in this update are effective for annual financial statements issued for fiscal years beginning after June 15, 2021, applied on a retrospective basis. Early adoption is permitted. YBLC is currently evaluating the impact this standard will have on its financial statements.

Youthbuild Lake County, Inc.

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

Management has evaluated subsequent events through April 19, 2022, the date the consolidated financial statements were available to be issued.

Note 2: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

<i>As of June 30,</i>	2021	2020
Cash and cash equivalents	\$ 288,818	\$ 285,450
Grants and contracts receivable	475,001	491,217
Contributions receivable	18,468	15,750
Other receivables	-	1,721
Total financial assets	782,287	792,417
Less: Donor restricted	(48,998)	(26,533)
Financial assets available to meet general expenditures within one year	\$ 733,289	\$ 765,884

YBLC does not have a formal liquidity policy, but generally strives to maintain liquid financial assets sufficient to cover operating expenses for government grants. YBLC has an available balance of \$250,000 on its line of credit which it could draw upon should the need arise.

Note 3: Concentration of Contributions or Grants

YBLC received approximately 46% of its annual budget for the year ended June 30, 2021, from two funders. Receivables from these two funders at June 30, 2021, represented 48% of total grants and contracts receivable.

YBLC received approximately 23% of its total revenue for the year ended June 30, 2020, from four funders. Receivables from these four funders at June 30, 2020, represented 40% of total grants and contracts receivable.

Note 4: Restricted Cash

Restricted cash of \$30,171 and \$30,165 at June 30, 2021 and 2020, respectively, is comprised of amounts contributed by the Illinois Department of Commerce and Economic Opportunity. The grantor stipulated that the funds and any interest thereon be segregated from YBLC's unrestricted bank accounts.

Youthbuild Lake County, Inc.

Notes to Consolidated Financial Statements

Note 5: Property Held for Sale

Property held for sale of \$12,232 as of June 30, 2021 and 2020, is located at 2015 Elim. In 2020, 1700 16th Street was sold for \$300 net of closing costs.

Note 6: Construction Projects in Progress

A summary of construction projects in process and in-kind contributions by property as of June 30, 2021 and 2020, were as follows:

	In Kind	Total
2121 Honore	\$ 14,625	\$ 9,000
2127 Honore	14,625	9,000
Total	\$ 29,250	\$ 18,000

During the years ended June 30, 2021 and 2020, no additions were made to the properties. In prior years, the properties were written down to their estimated fair values of \$9,000.

Note 7: Line of Credit

YBLC has a \$250,000 line of credit with First Midwest Bank with a current maturity date of April 15, 2022. The line is collateralized by a commercial security agreement on the assets of the YBLC. The outstanding balance at June 30, 2021 and 2020, was \$0.

Note 8: Net Assets with Donor Restrictions

Net assets with donor restrictions, which have either purpose or time restrictions, consisted of the following:

<i>June 30,</i>	2021	2020
Purpose restricted:		
Mission Moment for Spring Benefit - Programs	\$ 42,900	\$ 10,990
Pantry	-	899
Shower Construction	-	2,431
Support Pathways to PSE & Careers	6,098	4,838
Wellness Program	-	7,375
Total net assets with donor restrictions	\$ 48,998	\$ 26,533

Net assets released from donor restrictions by fulfillment of donor restricted purposes were \$169,395 and \$389,250 for the years ended June 30, 2021 and 2020, respectively.

Youthbuild Lake County, Inc.

Notes to Consolidated Financial Statements

Note 9: Government Grants and Contracts

<i>Years Ended June 30,</i>	2021	2020
AmeriCorps	\$ 74,479	\$ 142,382
Department of Commerce and Economic Opportunity	-	30,165
Department of Housing and Urban Development - Community Development		
Block Grants/Entitlement Grants	22,572	27,745
Department of Labor - YouthBuild	605,982	168,610
SBA - PPP Loan Forgiveness	88,631	59,374
United Way	5,000	-
WIOA - Workforce Development Dept. of Lake County	-	37,790
Illinois State Board of Education	293,496	169,218
Total	\$ 1,090,160	\$ 635,284

In the year ended June 30, 2017, YBLC was notified by the Lake County Consortium Housing Fund that the U.S. Department of Housing and Urban Development was recouping \$181,545 from the Home Investment Partnerships Program grants from fiscal years 2006, 2007, 2009, and 2011. The amount calculated as a percentage of the proceeds from the home sales based on YBLC's and grantor's investment as a percent of the total. The amount has been reflected on the statements of activities as an additional loss on sales of property as it relates to reimbursed expenditures incurred in prior years that were used in calculating the original loss on sales of properties. Additionally, \$75,850 of this amount was outstanding as of June 30, 2019, and paid during 2020.

Note 10: Donated Services

The value of donated goods and services is included as contributions in the financial statements as of June 30, 2021 and 2020, are as follows:

<i>Years Ended June 30,</i>	2021	2020
Donated services	\$ 94,200	\$ 92,400
Donated goods	7,533	13,843
Total	\$ 101,733	\$ 106,243

A substantial number of unpaid volunteers have made significant contributions of their time to the operations of YBLC. The value of these donated services and time is not recognized in the accompanying financial statements because they do not meet the criteria for recognition.

Youthbuild Lake County, Inc.

Notes to Consolidated Financial Statements

Note 11: Commitments and Contingencies

YBLC has an agreement with the Board of Education of North Chicago Community Unit School District No. 187 Lake County, Illinois, for office and classroom space that expires on May 31, 2025. YBLC moved to their current school location in April 2015. In lieu of rent, YBLC pays operating expenses for the property. Occupancy expenses on this agreement were \$32,659 and \$36,860 for the years ended June 30, 2021 and 2020, respectively.

Note 12: Paycheck Protection Program

At June 30, 2020, YBLC had a refundable advance liability of \$88,631. This amount represents the receipt of an award from the Small Business Administration's (SBA) Paycheck Protection Program (PPP) as a result of legislation passed to assist businesses in navigating the Coronavirus pandemic. The total amount awarded to YBLC under this award was \$148,005. YBLC has determined the award is a conditional grant and has applied the policy as described in Note 1. Accordingly, the award is reported as a refundable advance liability until the conditions are substantially met or explicitly waived.

YBLC has interpreted the condition of the award to be the incurrence of eligible expenditures, adjusted for any decrease in full time equivalents and or salary/wage limitations, recognized in stages over the covered period of either eight or 24 weeks. For the year ended June 30 2021 and 2020, YBLC recorded revenue from this award of \$88,631 and \$59,374, respectively. The loan was forgiven on May 25, 2021, and is included in government grant revenue on the statements of activities and changes in net assets.