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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Boys & Girls Clubs of Thurston County
2424 Heritage Ct. SW, Suite 301
Olympia, WA 98502

Report on the Financial Statements

We have audited the accompanying statement of financial position of Boys & Girls Clubs of Thurston County (the BGCTC) as of August 31, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the fiscal year 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 audit. We conducted our audit 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 organization'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 organization'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 BGCTC as of August 31, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited BGCTC's 2018 financial statements, and we expressed an unmodified audit opinion on

those audited financial statements in our report dated February 7, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Aiken & Sanders

Aiken & Sanders, Inc., PS
Certified Public Accountants
& Management Consultants

February 7, 2020

Boys & Girls Clubs of Thurston County
A Washington Not-For-Profit Organization

Statement of Financial Position

August 31, 2019 <i>(With Comparative Totals for 2018)</i>	2019	2018
ASSETS		
<u>Current Assets</u>		
Cash	\$ 384,743	\$ 652,127
Restricted Cash - Scholarship	3,000	4,000
Restricted Cash - Capital	28,731	11,342
Accounts Receivable	56,723	27,892
Total Current Assets	473,197	695,361
<u>Property and Equipment</u>		
Land and Land Improvements	530,954	530,954
Leasehold Improvements, net	1,361,028	1,288,975
Furniture and Equipment, net	46,858	22,623
Total Property and Equipment	1,938,840	1,842,552
<u>Other Assets</u>		
Endowment	682,710	644,526
Investments	82,112	39,006
Total Other Assets	764,822	683,532
Total Assets	\$ 3,176,859	\$ 3,221,445
LIABILITIES & NET ASSETS		
<u>Current Liabilities</u>		
Accounts Payable	\$ 164,438	\$ 43,822
Accrued Expenses	29,156	19,767
Accrued Vacation	27,419	22,615
Total Current Liabilities	221,013	86,204
<u>Net Assets</u>		
Without Donor Restrictions	298,480	632,821
Without Donor Restrictions - Property & Equipment	1,938,840	1,842,552
Without Donor Restrictions - Board Designated Endowment	355,219	355,219
	2,592,539	2,830,592
With Donor Restrictions Net Assets	363,307	304,649
Total Net Assets	2,955,846	3,135,241
Total Liabilities & Net Assets	\$ 3,176,859	\$ 3,221,445

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

Boys & Girls Clubs of Thurston County
A Washington Not-For-Profit Organization

Statement of Activities and Changes in Net Assets

Fiscal Year Ended August 31, 2019 <i>(With Comparative Totals for 2018)</i>	2019	2018		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	TOTAL
Support and Revenue				
Grants	\$ 515,577	\$ -	\$ 515,577	\$ 470,102
Contributions	221,202	280,454	501,656	545,062
Membership Revenue	47,025	-	47,025	48,919
Program Revenue	512,877	-	512,877	486,435
Fundraising Revenue	879,362	-	879,362	1,020,052
Other Income	13,186	-	13,186	5,668
Inkind Revenue	127,494	-	127,494	195,975
Interest Income	5,386	-	5,386	4,688
Satisfaction of Program Restrictions	264,065	(264,065)	-	-
Total Support and Revenue	2,586,174	16,389	2,602,563	2,776,901
Expenses				
Program Services	1,878,742	-	1,878,742	1,938,580
Management and General	431,248	-	431,248	391,021
Fundraising	511,517	-	511,517	396,913
Unallocated Payments to National Organization	9,295	-	9,295	6,851
Total Expenses	2,830,801	-	2,830,801	2,733,365
Increase (Decrease) in Net Assets Before Other Revenues & Expenses	(244,627)	16,389	(228,238)	43,536
Other Revenues & Expenses				
Interest Expense	-	-	-	(2,361)
Investment Income	6,574	42,269	48,843	60,925
Total Other Revenues & Expenses	6,574	42,269	48,843	58,564
Increase (Decrease) in Net Assets	(238,053)	58,658	(179,395)	102,100
Net Assets, Beginning of Year	2,830,592	304,649	3,135,241	3,033,141
Net Assets, End of Year	\$ 2,592,539	\$ 363,307	\$ 2,955,846	\$ 3,135,241

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

Boys & Girls Clubs of Thurston County
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Statement of Cash Flows

<u>Fiscal Year Ended August 31, 2019 (With Comparative Totals for 2018)</u>	<u>2019</u>	<u>2018</u>
<u>Cash Flows From Operating Activities</u>		
Increase (Decrease) in Net Assets	\$ (179,395)	\$ 102,100
Adjustments to reconcile increase in net assets to net cash flows provided (used) by operating activities:		
Depreciation	147,240	146,079
Unrealized (Gain) Loss on Investments	(48,843)	(60,925)
(Increase) Decrease In:		
Accounts Receivable	(28,831)	18,368
Increase (Decrease) In:		
Accounts Payable	120,616	(31,834)
Accrued Expenses	9,389	(2,819)
Accrued Vacation	4,804	402
Net Cash Provided (Used) by Operating Activities	<u>24,980</u>	<u>171,371</u>
<u>Cash Flows From Investing Activities</u>		
Net Activity in Investments	(32,447)	(2,778)
Purchase of Leasehold Imp., Property & Equipment	(243,528)	(94,849)
Net Cash Provided (Used) by Investing Activities	<u>(275,975)</u>	<u>(97,627)</u>
<u>Cash Flows From Financing Activities</u>		
Net Increase (Decrease) in Cash & Cash Equivalents	(250,995)	73,744
Cash & Cash Equivalents at Beginning of Year	667,469	593,725
Cash & Cash Equivalents at End of Year	<u>\$ 416,474</u>	<u>\$ 667,469</u>
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Year for Interest	<u>\$ -</u>	<u>\$ 2,361</u>

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

Boys & Girls Clubs of Thurston County
A Washington Not-For-Profit Organization

Statement of Functional Expenses

Fiscal Year Ended August 31, 2019 <i>(With Comparative Totals for 2018)</i>	2019	2018			
	Program Services	Management & General	Fundraising	Total	Total
Salaries	\$ 1,000,937	\$ 216,048	\$ 253,621	\$ 1,470,606	\$ 1,282,193
Payroll Taxes	94,753	22,162	26,016	142,931	135,263
Employee Benefits	115,784	25,922	31,106	172,812	162,508
Training & Education Expense	14,271	21,241	-	35,512	17,820
Repair and Maintenance	68,595	2,041	-	70,636	23,366
Insurance	31,023	1,723	2,505	35,251	31,921
Postage	1,148	1,148	1,148	3,444	4,869
Printing/Advertising	16,376	2,099	2,100	20,575	24,542
Professional Fees	16,162	48,568	10,690	75,420	116,244
Occupancy Expense	68,849	4,647	4,648	78,144	109,940
Supplies	99,709	22,725	146,471	268,905	294,750
Youth Transportation	54,233	-	-	54,233	58,069
Athletic Program	871	-	-	871	1,175
Dues & Subscriptions	6,118	8,149	-	14,267	9,775
Vehicle Expenses	24,414	3,064	-	27,478	28,154
Meals	3,514	7,207	-	10,721	20,390
Inkind Expense	76,946	23,868	26,680	127,494	195,975
Admission & Entrance Expense	21,975	2,510	-	24,485	22,979
Rent Expense	20,241	15,181	5,060	40,482	40,502
Depreciation	142,823	2,945	1,472	147,240	146,079
Total Expenses	\$ 1,878,742	\$ 431,248	\$ 511,517	\$ 2,821,506	\$ 2,726,514

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

Boys & Girls Clubs of Thurston County
A Washington Not-For-Profit Organization

Notes to the Financial Statements

Fiscal Year Ended August 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mission and Programs

The mission of the Boys and Girls Clubs of Thurston County (the BGCTC) is to inspire and enable youth to realize their greatness.

The BGCTC serves kids from ages 5 to 18 at four locations (Tumwater, Rochester, Lacey and Olympia) after school and during school break periods. In 2019, the BGCTC had 2,240 school age kids in memberships. Programs are offered to support kids in the areas of character and leadership development, education and career development, health and life skills, the arts and sports, and fitness and recreation.

Financial Statements

The BGCTC maintains its financial records on the accrual basis of accounting. Revenues on all grants are recognized (accrued) when qualifying expenditures under the grant are made. Grant funds are accounted for as without donor restrictions or with donor restrictions, as provided in the particular terms of the respective grant contracts. When restrictions on grant funds are met in the same year the funds are awarded, it is the policy of the BGCTC to record the grant funds as without donor restrictions in the statement of activities and changes in net assets.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results may vary from the estimates that were used.

Statement of Cash Flows

Cash and cash equivalents include cash on hand and cash on deposit in financial institutions.

Furniture and Equipment

Furniture and equipment purchased by the BGCTC is recorded at cost. Furniture and equipment donated to the BGCTC is capitalized at its estimated fair value. The BGCTC's policy is to expense the acquisition cost of equipment in the year it is purchased if its cost is less than \$500. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of furniture and equipment are sold or are otherwise disposed of, the appropriate cost and related accumulated depreciation amounts are removed from the accounts and any gains or loss is included in income.

Boys & Girls Clubs of Thurston County
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Notes to the Financial Statements

Fiscal Year Ended August 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'T.)

Support

The BGCTC receives a substantial amount of its support from contributions. If a significant reduction in the level of this support occurred, it could have a significant effect on the BGCTC future programs and activities.

Liquidity and Availability

The BGCTC has \$441,466 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure, consisting of cash of \$384,743 and accounts receivable of \$56,723 as of August 31, 2019. The BGCTC has \$680,019 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure, consisting of cash of \$652,127 and accounts receivable of \$27,892 as of August 31, 2018. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The BGCTC has ongoing grants and contracts that will reimburse the BGCTC allowable expenditures for that grant or contract. The BGCTC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The BGCTC has restricted cash in the amount of \$31,731 and \$15,342 as of August 31, 2019 and 2018 respectively. See note 5.

The BGCTC also has investments and a endowment fund of \$764,822 and \$683,532 as of August 31, 2019 and 2018, respectively. See note 4.

Contributions

The BGCTC reports gifts of cash and other assets as restricted support if they are received with donor stipulations limiting the use of the donated assets. However, restricted gifts for which the donor restriction is met in the same period the gift is received are recorded as without donor restriction revenue.

When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statement of activities as net assets released from restrictions.

The BGCTC reports gifts of long-lived assets, as well as gifts of other assets restricted to the acquisition or construction of long-lived assets as without donor restrictions support unless explicit donor stipulations specify how the donated assets must be used. With donor restrictions long-lived assets are considered to be released from restrictions as the asset is depreciated over its useful life. Absent explicit donor instructions about how long-lived assets must be maintained, the BGCTC reports the expiration of donor restriction when the donated or acquired asset is placed in service.

Boys & Girls Clubs of Thurston County
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Notes to the Financial Statements

Fiscal Year Ended August 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'T.)

Bad Debts

The BGCTC does not provide an allowance for doubtful accounts, as required by generally accepted accounting principles, because historically bad debts have not been material. BGCTC uses the direct write-off method. When an amount becomes uncollectible, it is charged to expense in the year it is deemed to be uncollectible. For the fiscal years ended August 31, 2019 and 2018, there were bad debts of \$0, respectively.

Advertising

Advertising costs are expensed as they are incurred.

Allocation of Indirect Costs

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the BGCTC. Payroll and related costs are allocated based on time spent on each function.

Employee Benefits

The BGCTC provides its employees with paid annual and sick leave in accordance with its current policies. Sick leave benefits are cumulative only to the extent of use for illness. Accrued and unused annual leave is payable to the employee in cash upon termination.

The BGCTC has a 403(b) defined contribution money purchase plan for all eligible employees. The BGCTC provides for employer contributions of 6% of gross wages to all eligible employees. Pension expense for the fiscal years ended August 31, 2019 and 2018, was \$46,243 and \$39,626, respectively.

NOTE 2 – CASH

For the fiscal years ended August 31, 2019 and 2018, the BGCTC had cash accounts that at times exceeded the amount insured by the Federal Deposit Insurance Corporation (FDIC). As of August 31, 2019 and 2018, the uninsured cash balance totaled \$0 and \$74,972, respectively.

**Boys & Girls Clubs of Thurston County
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Notes to the Financial Statements

Fiscal Year Ended August 31, 2019

NOTE 3 – PROPERTY AND EQUIPMENT

At August 31, 2019, property and equipment includes the following:

Furniture & Equipment	3 - 5 yrs	\$	208,274
Accumulated Depreciation			<u>(161,416)</u>
Total			<u>\$ 46,858</u>
Land & Land Improvements		\$	530,954
Leasehold Improvements	10 - 20 yrs		2,733,536
Accumulated Depreciation			<u>(1,372,508)</u>
Total			<u>\$ 1,891,982</u>

Net property and equipment at August 31, 2018, was \$1,842,552.

NOTE 4 – INVESTMENTS & FAIR VALUE MEASUREMENTS

Investments include the stocks in the Edward Jones account and the Endowment Fund. The endowment fund is made up of Board Designated Funds and With Donor Restrictions Funds.

The earnings of the Endowment Fund will be used exclusively for the:

- Capital needs
- Program support
- Seed money for new projects and programs
- Special one-time projects, and
- Such other purposes as are specifically designated by donors

The distribution from the endowment will be no more than 5% of a three-year moving average of the Endowment Fund assets, determined as of August 31st each year. No distribution has been taken yet. The asset allocations are designed to provide an optimal asset mix for the portfolio, emphasizing diversification in order to lower risk and maximize "total return" relative to risk. The following table illustrates the diversification plan for the BGCTC.

U.S. Equities - Large Cap	30% - 50%
U.S. Equities - Small/Mid Cap	0% - 20%
International Developed Countries	0% - 20%
U.S. Core Bonds	20% - 60%
Cash Equivalent	5% - 25%

Boys & Girls Clubs of Thurston County
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Notes to the Financial Statements

Fiscal Year Ended August 31, 2019

NOTE 4 – INVESTMENTS & FAIR VALUE MEASUREMENTS (CON'T)

Change in endowment funds for the fiscal year ended August 31, 2019, are as follows:

	Board Designated	With Donor Restrictions	Total
Beginning Balance	\$ 355,219	\$ 289,307	\$ 644,526
Bequests/Contributions	-	-	-
Investment Income (Loss)	-	38,184	38,184
Distributions	-	-	-
Ending Balance	<u>\$ 355,219</u>	<u>\$ 327,491</u>	<u>\$ 682,710</u>

Change in endowment funds for the fiscal year ended August 31, 2018, was \$50,721.

As of August 31, 2019, the investments had the following cost basis:

Bonds	\$	124,086
Money Market Funds		14,502
Corporate Stocks		389,153
U.S. Treasury Securities		<u>111,754</u>
Total	\$	<u>639,495</u>

Cost basis as of August 31, 2018, was \$565,304.

Investment income (loss) for the fiscal year ended August 31, 2019, is as follows:

Unrealized Gain (Losses)	\$	32,545
Realized Gain (Losses)		10,338
Dividends		<u>5,960</u>
Total	\$	<u>48,843</u>

Investment income (loss) for the fiscal year ended August 31, 2018, was \$60,925.

Fair Value Measurements establishes a framework for measuring fair value. That framework 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:

**Boys & Girls Clubs of Thurston County
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Notes to the Financial Statements

Fiscal Year Ended August 31, 2019

NOTE 4 – INVESTMENTS & FAIR VALUE MEASUREMENTS (CON'T)

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the BGCTC has the ability to access.

Level 2: Inputs to valuation methodology include:

- A. Quoted prices for similar assets or liabilities in active markets.
- B. Quoted prices for identical or similar assets or liabilities in inactive markets.
- C. Inputs other than quoted prices that are observable for the asset or liability.
- D. Inputs that are principally from or corroborated by observable market data by correlation or other means.

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at August 31, 2019:

Bonds and U.S. Treasury: Valued at the net asset value (NAV) of shares held by the BGCTC at year end.

Money Market Funds: The investments are reported at fair value based on quoted prices in active markets for identical assets.

Corporate Stocks: Valued at stock price per shares held by the BGCTC at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the BGCTC believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the BGCTC's assets at fair value as of August 31, 2019 with comparative totals for 2018:

	Level 1	Level 2	Level 3	2019 Total	2018 Total
Bonds	\$ 137,379	\$ -	\$ -	137,379	86,666
Money Market Funds	14,502	-	-	14,502	21,237
Corporate Stocks	497,516	-	-	497,516	473,193
U.S. Treasuries	115,425	-	-	115,425	102,436
Total Assets at Fair Value:	\$ 764,822	\$ -	\$ -	764,822	\$ 683,532

Boys & Girls Clubs of Thurston County
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Notes to the Financial Statements

Fiscal Year Ended August 31, 2019

NOTE 5 – RESTRICTED CASH & NET ASSETS WITH DONOR RESTRICTIONS

Capital restricted cash are donor restricted donations to be used for purchase of capital items for the clubs that have not been spent as of year end. As of August 31, 2019 and 2018, restricted cash for capital was \$28,731 and \$11,342 on the statement of financial position, respectively.

Scholarship restricted cash are donor restricted donations to be used for scholarships that have not been spent as of year end. As of August 31, 2019 and 2018, restricted cash for scholarships was \$3,000 and \$4,000, respectively.

As of August 31, 2019 and 2018, with donor restriction endowment was \$327,491 and \$293,240, respectively. See Note 4.

As of August 31, 2019 and 2018, total net assets with donor restrictions were \$363,307 and \$304,649, respectively.

NOTE 6 – DONATED SERVICES & MATERIALS

During the fiscal years ended August 31, 2019 and 2018, BGCTC received donated materials and services. The value of donated materials and services is reflected in the financial statements as in-kind revenue and in-kind expense, and for the fiscal years ended August 31, 2019 and 2018, was \$13,646 and \$44,731, respectively. The value of donated advertising for the fiscal years ended August 31, 2019 and 2018, was \$26,680 and \$64,076, respectively.

NOTE 7 – LEASES

The BGCTC leases facilities and equipment. Lease expense for the facilities and the equipment for the fiscal years ended August 31, 2019 and 2018, was \$50,713 and \$50,487, respectively. Facility lease expense of \$40,482 and \$40,502, respectively, for the fiscal years ended August 31, 2019 and 2018 is shown as rent expense on the statement of functional expenses. Equipment lease expense of \$10,231 and \$9,985, respectively, for 2019 and 2018 is included in occupancy expense on the statement of functional expenses.

The following is a schedule by years of minimum future rentals on non-cancellable operating leases as of August 31, 2019:

Fiscal Year	
2020	\$ 20,604
2021	-
2022	-
2023	-
2024	-
	<hr/>
	\$ 20,604
	<hr/>

Boys & Girls Clubs of Thurston County
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Notes to the Financial Statements

Fiscal Year Ended August 31, 2019

NOTE 7 – LEASES (CON'T)

Facilities, which are used for program services, administration, and fundraising, were rented below fair market value. The value of donated facilities is reflected in the financial statements as in-kind revenue and in-kind expense, and for the fiscal years ended August 31, 2019 and 2018, was \$87,168 and \$87,168, respectively.

NOTE 8 – CONTINGENCIES

Amounts received or receivable from government agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the BGCTC if so determined in the future. It is management's belief that no material amounts received or receivable, unless already provided for, will be required to be returned in the future.

NOTE 9 – INCOME TAXES

The BGCTC is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation.

The BGCTC files income tax returns in the U.S. federal jurisdiction. The BGCTC is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2015. Currently, there is no examination or pending examination with the Internal Revenue Service (IRS).

As of August 31, 2019, there are no tax positions for which the deductibility is certain but for which there is uncertainty regarding the timing of such deductibility.

The BGCTC recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the year ended August 31, 2019, the BGCTC recognized \$0 in interest and penalties. The BGCTC recognized \$0 for the payment of interest and penalties accrued at August 31, 2019.

NOTE 10 - SUBSEQUENT EVENTS

The BGCTC did not have any subsequent events through February 7, 2020, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the fiscal year ended August 31, 2019.

NOTE 11 - CHANGE IN PRESENTATION

The BGCTC adopted Accounting Standards Update 2016-14 (ASU 2016-14) during the year ended August 31, 2019. ASU 2016-14 requires net assets to be presented as 'without donor restrictions' and 'with donor restrictions' on the statement of financial position. Also on the statement of activities, the columns will be labeled as 'without donor restrictions' and 'with donor restrictions'. Prior to adoption, the net assets on the statement of financial position were presented as unrestricted and temporarily restricted. Also on the statement of activities, the columns were also labeled as unrestricted and temporarily restricted. ASU 2016-14 states that it should be applied on a retrospective basis for comparative basis financial statements in the year of adoption. There was no changes in the net asset classes and there was no reclassifications.