

Big Brothers Big Sisters of Puget Sound Fiscal Year Change

Following please find our audited financial statements for our most recently completed fiscal year end. As noted on the report, this audit is for the **eight-month** period from January 1, 2018 through August 31, 2018. It is a short transitional “year” as we are changing our financial year from a calendar year end to a fiscal year ending August 31st.

We decided to make this change in order to better align our fiscal year with our typical cycle of revenues and operations. For many years, Big Brothers Big Sisters of Puget Sound has received a high percentage of its annual revenue between September and December, which was at the end of its financial year. The change to a fiscal year beginning September 1 allows the agency to effectively manage its operating budget and optimize its response to any unexpected fluctuations, both negative and positive. The enhanced ability to make strategic decisions about resource allocations during the fiscal year is more important than ever as we continue to make progress towards our 5-year goal of serving 50% more children and youth with high-impact mentoring.

In order to make this shift, we knew that the transitional period of January through August would show a decrease in net assets because of the normal seasonality of our revenue cycle. The 8-month period was budgeted to, and does, show a deficit: a net decrease in total net assets of (\$552,910), of which the net decrease in unrestricted net assets was (\$258,159) – an amount that was better than budget expectations for the January to August period. More importantly to the reader of our financial statements, the 12-month period that would have been our normal financial year was budgeted to have a small increase in net assets, and we are pleased to report that preliminary results show an even stronger positive increase in net assets, confirming that although the short fiscal year results look somewhat unusual, the agency continues to be in strong financial health. Please feel free to direct any questions to Louis Garcia, CEO and President, or Jean Ingebritsen, CFO.