

# The Children's Trust



## Monthly Financial Statements (Unaudited)

For the fiscal year ended September 30, 2019

Prepared by : The Children's Trust Finance Department

Approved by:

  
William Kirtland (Apr 20, 2020)

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**William Kirtland, CPA, Chief Financial Officer**

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# September's Management Discussion & Analysis (MD&A)

## 2018-19 Budget Highlights:

- The Children's Trust continues to emphasize the importance of program spending that provides critical services for children and families in our community.
- The Children's Trust will offer an additional \$28.5m during the fiscal year 2018-19 for services. In alignment with the strategic plan and the Board's guidance the funds will be allocated as follows:
  - Early Childhood Development \$8m
  - Youth Development \$13.2m
  - Parenting \$2.6m
  - Health & Wellness \$4.7k
- The Children's Trust is budgeting a net decrease in management (G&A) expenses of approximately \$30k, which is related to a decrease in contracted services and includes a merit increase. The Trust has now budgeted decreases in management expenses for 3 fiscal years, 2016-17 (\$470k), 2017-18 (\$317k) and 2018-19 (\$30k), totaling approximately \$817k.
- The Children's Trust has reduced the management (G&A) expenses to 6.32% of its total expenses, an all-time low.
- The Miami-Dade Property Appraiser reported an assessed tax roll of \$292.3 billion, which equates to approximately:
  - Based on 0.4415 millage rate (rolled-back rate), ad valorem tax revenue = \$122.6m, this represents a 0% tax increase.

## Additional Considerations:

### Property Tax Revenues

With property tax bills mailed on or before November 1 of each year, and discounts ranging from 1-4% the sooner payment is received, The Trust records a significant amount of revenue during the months of November, December, January and February. Below is a cumulative collection rate compared to the budget.

Month	FY 2019	FY 2018
October	0.0%	0.0%
November	26.9%	4.5%
December	79.3%	72.6%
January	83.2%	82.3%
February	86.6%	86.5%
March	88.9%	89.0%
April	93.3%	93.6%
May	95.1%	95.1%
June	98.9%	98.3%
July	99.0%	98.5%
August	99.1%	99.0%
<b>September</b>	<b>100.6%</b>	<b>99.0%</b>

### *Miscellaneous Revenues*

The Trust realized a significant increase to miscellaneous revenues. During the fiscal year 2019, interest rates were more favorable than the prior fiscal year. The Trust commits its tax roll funds to 30, 60, and 90-day Certificates of Deposit, and schedules them to mature throughout the year so that there is enough liquidity to support direct services. The Trust also invested in a 12-month CD, which yielded a 2.69% interest rate.

### *Operating Budget / Expenditures*

Fiscal year 2019 represents the 1<sup>st</sup> year of a 5-year funding cycle for most of the direct services included in the Children's Trust operating budget. As a result of expanded funding issued through the recent solicitation, numerous programs used additional Trust funds to begin the growth of program services. Expanded funding left program contracts with an overall approximate under-utilization of 7%. As programs begin to fully develop and grow within the funding cycle, The Trust expects contract utilization to improve.

### *Fund Balance / Drawdown Strategy*

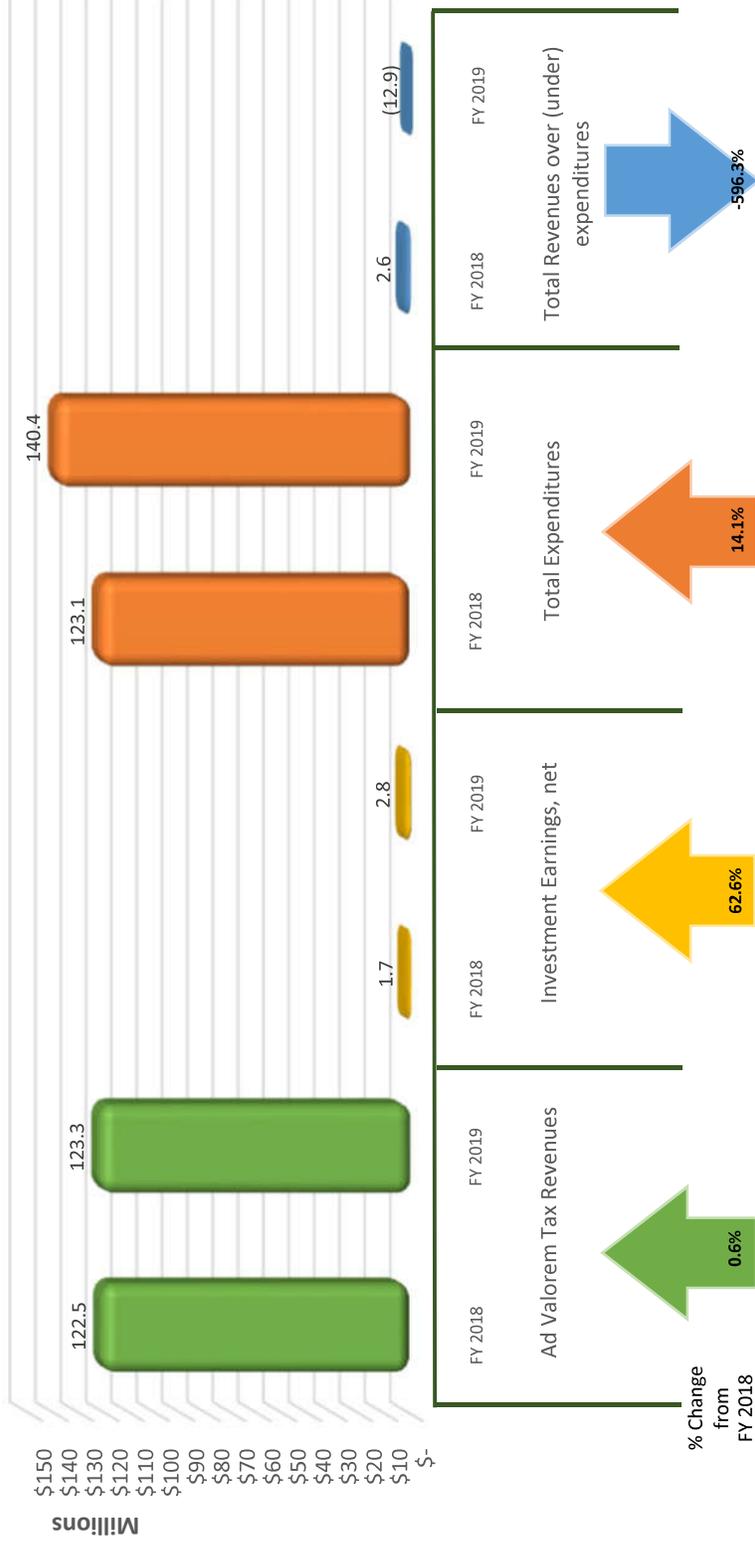
In response to the growing fund balance, The Trust:

- Adopted the rolled back millage rate of 0.4415 for the fiscal year 2019, which would maintain revenues consistent with the fiscal year 2018.
- Spend additional funds during fiscal year 2019 in program services, which included the funding for the current and expanded 5-year solicitation (Fiscal years 2019-2023) cycle by approximately \$28,500,000 annually.
- The Trust continues to devise a strategy to significantly draw down its existing fund balance during the next solicitation cycle, without compromising its ability to fund programs to a similar capacity in future funding cycles.
- Early in fiscal year 2018 The Trust was informed from the CRA of Miami Beach that it will no longer be obligated to commit approximately \$2 million. The budget for fiscal year 2019 has been adjusted to reflect this change.
- The Trust has budgeted \$1.5 million for the obligations to the remaining Community Redevelopment Areas (CRAs) for the fiscal year 2019. The Trust commits these funds on an annual basis.
- The significant dollar variance (budget 2018 to budget 2019) in administration and non-operating reflects the decrease in obligation and payment to those CRAs.

# The Children's Trust

## Comparative Fiscal Highlights

For the fiscal year ended September 30, 2019



**Balance Sheet - General Fund**

September 30, 2019

	<b>General Fund</b>
<b>Assets</b>	
Current Assets	
Cash	\$ 10,753,335
Investments:	
Certificates of deposit	66,000,000
Money market	1,745,166
SBA	224,639
Accounts receivable	30,000
Provider receivable	-
Taxes receivable	31,160
Grants receivable	-
Interest receivable	-
Due from other governmental local agencies	-
Prepaid insurance	3,330
Prepaid other	73,778
<b>Total assets</b>	<b>\$ 78,861,408</b>
<b>Liabilities &amp; Fund Balances</b>	
<b>Liabilities</b>	
Accounts payable	\$ 21,903,214
Dues from other governmental local agencies	70,048
Accrued wages payable	148,632
Unearned revenue	-
Total liabilities	\$ 22,121,894
<b>Fund Balances</b>	
Non-spendable prepaid items	\$ 77,108
Restricted:	
Provider services	56,662,406
<b>Total fund balances</b>	<b>\$ 56,739,514</b>
<b>Total liabilities &amp; fund balances</b>	<b>\$ 78,861,408</b>

**Annual Budget vs. Year to Date (YTD) Actual - General Fund**

FY 2019 budget vs. FY 2019 actual (September 30)

	FY 2019 Amended Budget (Information Purposes Only)	FY 2019 Year to Date Actual	FY 2019 vs 2018 % Actual to Actual	FY 2019 vs 2018 % Actual to Budget
<b>FUND BALANCE, Adopted Budget October 1, 2018</b>	\$ 69,626,173			
<b>REVENUES</b>				
Ad valorem tax revenues	\$ 122,613,872	\$ 123,289,413	↑ 0.6%	↑ 0.6%
CRA return/interlocal agreement	1,501,461	1,459,908	↓ -1.3%	↓ -3%
Investment earnings/miscellaneous	1,274,100	2,773,549	↑ 63%	↑ 144%
<b>Total revenues</b>	<b>\$ 125,389,433</b>	<b>\$ 127,522,870</b>	<b>↑ 1%</b>	<b>↑ 118%</b>
<b>SUSTAIN AND EXPAND DIRECT SERVICES</b>				
Parenting	\$ 17,773,000	\$ 15,372,447	↑ 15%	↓ -1%
Early childhood development	28,791,017	19,435,747	↑ 19%	↓ -11%
Youth development	59,317,832	53,102,276	↑ 18%	↓ -8%
Health and wellness	20,779,306	19,594,238	↑ 20%	↓ -8%
Family and neighborhood supports	11,688,108	10,930,803	↓ 0%	↓ 0%
<b>Total sustain and expand direct services</b>	<b>\$ 138,349,263</b>	<b>\$ 118,435,512</b>	<b>↑ 16%</b>	<b>↓ -7%</b>
<b>COMMUNITY AWARENESS AND ADVOCACY</b>				
Promote public policy and legislative agendas	\$ 215,300	\$ 154,104	↓ -4%	↓ -3%
Public awareness and program promotion	2,969,000	2,673,581	↓ -6%	↓ -5%
Promote citizen engagement and leadership to improve child and family conditions	1,115,000	904,774	↑ 36%	↑ 42%
Cross-funder collaboration of goals, strategies and resources	1,735,000	1,136,004	↑ 60%	↓ -3%
<b>Total community awareness and advocacy</b>	<b>\$ 6,034,300</b>	<b>\$ 4,868,463</b>	<b>↑ 11%</b>	<b>↑ 7%</b>
<b>PROGRAM AND PROFESSIONAL DEVELOPMENT</b>				
Supports for quality program implementation	\$ 3,100,000	\$ 1,930,120	↓ -9%	↑ 7%
Information systems	800,000	775,514	↑ 5%	↑ 5%
Program evaluation and community research	500,000	336,781	↑ 69%	↑ 47%
Innovation funds	1,400,000	353,378	↑ 52%	↑ 2%
<b>Total program and professional development</b>	<b>\$ 5,800,000</b>	<b>\$ 3,395,793</b>	<b>↑ 3%</b>	<b>↑ 9%</b>
<b>ADMINISTRATION AND NON-OPERATING EXPENDITURES</b>				
Management of The Children's Trust	\$ 10,277,088	\$ 9,877,623	↑ 2%	↑ 3%
Non-operating expenditures	3,876,461	3,832,138	↑ 1%	↑ 36%
<b>Total administration and non-operating expenditures</b>	<b>\$ 14,153,549</b>	<b>\$ 13,709,761</b>	<b>↑ 2%</b>	<b>↑ 15%</b>
<b>Total expenditures</b>	<b>\$ 164,337,112</b>	<b>\$ 140,409,529</b>	<b>↑ 14%</b>	<b>↓ -3%</b>
<b>Total revenues over/(under) expenditures</b>	<b>\$ (38,947,679)</b>	<b>\$ (12,886,659)</b>		
<b>Ending fund balance, reserves/net assets, adopted budget</b>	<b>\$ 30,678,494</b>			

**Comparative Monthly Financial Statement**

FY 2019 vs. FY 2018 actual (September 30)

	FY 2019 Year to Date Actual	FY 2018 Year to Date Actual	Dollar Variance	% Variance
<b>REVENUES</b>				
Ad valorem tax revenues	\$ 123,289,413	\$ 122,509,168	\$ 780,245	1%
CRA return/interlocal agreement	1,459,908	1,479,394	(19,486)	-1%
Investment earnings/miscellaneous	2,773,549	1,705,745	1,067,804	63%
<b>Total revenues</b>	<b>\$ 127,522,870</b>	<b>\$ 125,694,307</b>	<b>\$ 1,828,563</b>	<b>1%</b>
<b>EXPENSES</b>				
Sustain and expand direct services	\$ 118,435,512	\$ 101,946,262	\$ 16,489,250	16%
Community awareness and advocacy/program and professional development	8,264,256	7,660,282	603,974	8%
Administration and non-operating expenditures	13,709,761	13,491,289	218,472	2%
<b>Total expenses</b>	<b>\$ 140,409,529</b>	<b>\$ 123,097,833</b>	<b>\$ 17,311,696</b>	<b>14%</b>
<b>Total revenues over/(under) expenditures</b>	<b>\$ (12,886,659)</b>	<b>\$ 2,596,474</b>	<b>\$ (15,483,133)</b>	<b>-596%</b>