

The Children's Trust




Monthly Financial Statements (Unaudited)

For the fiscal year ended September 30, 2021

Prepared by : The Children's Trust Finance Department

Approved by:


[William Kirtland \(Mar 2, 2022 09:14 EST\)](#)

William Kirtland, CPA, Chief Financial Officer

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

Management of The Children's Trust (The Trust) has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues; (b) provide an overview and analysis of The Trust's financial activities; (c) identify changes in The Trust's financial position; and (d) identify material deviations from the approved budget.

Governmental Fund Financial Statement Analysis

The Trust completed its eighteenth year of operations with an ending fund balance of \$35,384,462 as compared to \$47,284,959 at September 30, 2020. Of this total, \$40,656 is nonspendable at September 30, 2021 and the remaining balance of \$35,343,806 is restricted for provider services.

Revenues

Fiscal year 2020-2021 represents the eighteenth year of The Trust's operations and the seventeenth year that The Trust levied ad valorem taxes. Revenues totaled \$143.0 million as compared to \$142.4 million reported in the previous year. The general classes of revenues reported include:

- **Ad valorem taxes** - The Trust's primary source of revenue. On September 21, 2020, The Trust levied .4507 mills, the rolled-back rate, to generate the same total revenue as the prior year. This levy resulted in revenue of \$140.2 million, or 98.0%, of total revenues, which The Trust began receiving in November 2020. The 2019-2020 levy of .4680 mills resulted in \$139.0 million. This increase is less than 1% and is attributable to the increase in taxable values.
- **Investment earnings** - Totaled \$256,447. The Trust places most of its idle cash in a money market account, certificates of deposit and interest earning cash deposits. The decrease in interest earnings of approximately \$1.1 million from the prior year is due to a reduction in investments as well as the decline in interest rates from previous years.
- **Interlocal agreement** - For the fiscal year ended September 30, 2021, The Trust had an active interlocal agreement with two Community Redevelopment Agencies (CRA), which provides that The Trust is eligible to share in any tax increment revenues that remain at the end of the CRA's fiscal year. These two CRAs were required to return \$2,369,104, or 100%, of the funds paid by The Trust in relation to the CRAs. The 2019-2020 CRA interlocal agreements revenue totaled \$1,944,939.
- **Other revenue** - The Trust recognized \$248,780 for miscellaneous items.

Expenditures

Expenditures of the governmental fund totaled \$154,930,871 for fiscal year 2020-2021 as compared to \$151,901,449 in fiscal year 2019-2020.

During its eighteenth year of operations, The Trust's total expenditures were 2.0% more than the previous year primarily due to spending 1.7% more for provider services. Total expenditures during fiscal year 2020-2021 were approximately \$154.9 million, which represents an increase of \$3.0 million from fiscal year 2019-2020.

- Provider services, representing 343 contracts that are delivered by over 184 community organizations, as well as numerous service agreements with community partners, totaled \$139.8 million and accounted for 90.2% of The Trust's expenditures in fiscal year 2020-2021; whereas, provider services totaled \$137.4 million in fiscal year 2019-2020 for an increase of \$2.3 million, or 1.7%, from the prior year; this increase is attributable to improved contract utilization within existing provider contracts, programs that were more fully developed during year three of the funding cycle. The Trust's major initiatives included:

- Youth development programs, which have been funded by The Trust for the eighteenth consecutive year, are The Trust's largest investment initiative and provide youth development programs that are accessible, affordable and inclusive to school-age children and youth. These programs include after-school programs and summer camp and experiences; reading enhancements; and youth enrichment, employment and supports, providing stimulating academic, athletic, cultural and social learning in nurturing, supervised environments that implement evidence-based practices. Quality youth programs can increase school attendance, improve academic performance, decrease risky behaviors, prevent summer learning loss and support working families.¹ In fiscal year 2020-2021, The Trust spent approximately \$52.8 million, or 37.75%, of the total provider services expenditures on youth development programs.

- Health and wellness related programs had its fifteenth consecutive year of operations in fiscal year 2020-2021. The Trust spent \$17.7 million, or 12.6%, of the total provider services expenditures for this initiative, in support of multiple strategies: school-based health, vision follow-up services, oral health training and preventive services, oral health training and preventive services, food and nutrition services, benefits enrollment, and injury prevention education. Our strategies take into consideration the powerful influence of social determinants, and thus Trust investments aim to increase access to services for children who lack health resources and are underinsured or uninsured.

- Thrive by 5 (early childhood development) programs, which is another one of The Trust's major initiatives, focuses on improving the quality of early childhood education programs; increasing access to these programs for families with the greatest needs; and encouraging developmental screening, assessment, and when needed, early intervention. School readiness is about children, families, early learning environments, schools and communities. For children to build capabilities across key developmental domains, such as health, physical, cognitive, social-emotional and approaches to learning, families must be ready to support their children's learning, and schools must be ready to meet the needs of all children. During fiscal year 2020-2021, The Trust spent \$30.5 million, or 21.8%, of total provider services expenditures for early childhood development programs.

- Parenting programs are offered along a continuum of care in which universal, selective and indicated services are provided so that children are supported by nurturing and involved families. Universal services provide brief, universally-relevant service that offer evidence-based, effective and low-cost strategies that can reach large, diverse groups of parents and caregivers. Selective services are designed to meet the needs of families who may be more likely to face parenting challenges, such as health or behavior problems related to social, educational, economic or environmental factors. Selective services include brief, in-person group and individual

sessions or home visitation, typically involving multiple contacts over a specific timeframe of several months. Indicated services are more intensive, therapeutic services for families experiencing challenges with child or youth behavior, parent-child relationships, and/or consequences of youth violence or parent mental health or substance abuse issues. Evidence-based interventions are more intensive and frequent, typically delivered by trained clinicians. During fiscal year 2020-2021, The Trust spent approximately \$17.8 million, or 12.8%, of total provider services expenditures for parenting programs.

- Family and Neighborhood Supports programs overarching goal is to connect families and youth with community resources, such as health, human and social service networks to further support them as they pursue their individual goals. Children and youth growing up in neighborhoods with minimal economic opportunities are less likely to have access to quality schools, other public services and safe places to live and play that can help them thrive. During fiscal year 2020-2021, The Trust spent \$11.3 million, or 8.11%, of total provider services expenditures for family and neighborhood supports programs.

- Community Awareness and Advocacy represent another of The Trust's major initiatives. The purpose of this initiative includes: promoting public policy and legislative agendas in order to effectuate passage of laws and public policies that will improve the lives of our children at the state, local and federal level with focus areas including early learning and care, health, safety, child welfare, juvenile justice and REDI (racial equity, diversity and inclusion); public awareness and program promotion to foster awareness, understanding and support for our many programs and services; citizen engagement and leadership in effort to improve child and family conditions; and cross-funder collaboration of goals, strategies and resources to allow for the alignment of multiple funders pooling of resources and knowledge to address complex issues, resulting in more than can be accomplished alone. During fiscal year 2020-2021, The Trust spent \$5.2 million, or 3.2%, of total provider services expenditures for community awareness and advocacy.

- Program and Professional Development represents another of The Trust's major initiatives. The purpose of program and professional development includes providing supports for quality program implementation (to strengthen providers' abilities to effectively deliver high-quality services and manage operations), program evaluation and community research (ensuring the availability of key data and information to inform policy decisions in support of children and families), and innovation programs (to seed new ideas and pilot new program designs promoting the optimal development of children). During fiscal year 2020-2021, The Trust spent \$4.5 million, or 3.2%, of total provider services expenditures for program and professional development.

- General administration and capital outlay totaled \$10,145,242 of The Trust's expenditures. Expenditures for staff salaries and benefits were approximately \$9.2 million and accounted for 90.5% of total administration expenditures. The remaining balance was expended for professional services, rent for office space, insurance, office supplies and other general administration costs. General administration and capital outlay costs totaled \$9,914,605 for fiscal year 2019-2020.

- Other expenditures in fiscal year 2020-2021 were \$5,015,795 and represented expenditures pertaining to the interlocal agreement to the two CRAs of \$2,369,104

and to the property appraiser and tax collector of \$2,646,691. Fees paid to the property appraiser and tax collector are based on the operating budgets of these agencies and are allocated among the taxing districts served. Other expenditures in fiscal year 2019-2020 were \$4,491,280.

Capital Assets and Debt Administration

The Trust's investment in capital assets, net of accumulated depreciation, for governmental activities was \$197,529 at September 30, 2021. Computer hardware and software represented \$20,367 of this amount. The remaining balance represents The Trust's investment in furniture and equipment. 77.7% of the capital assets are depreciated.

With respect to debt, The Trust is prohibited, per Florida State Statute 125.901, from issuing any type of debt instrument including the issuance of bonds of any nature.

General Fund Budget

Annual budgets have been legally adopted in accordance with a budget format required by the State of Florida Department of Financial Services Uniform Accounting System. The Trust's board may amend the budget in accordance with the time limitation specified in the Florida Statutes.

During fiscal year 2020-2021, the most significant variance between originally budgeted revenues of \$142.5 million and actual revenues of \$143.0 million was primarily attributable to collections for ad valorem taxes and revenues related to the interlocal agreement being greater than the budgeted amount by \$0.7 million. These revenues are closely tied to property tax values. The budget variance related to the interlocal agreement revenues was driven by higher than anticipated property values in a CRA district in which The Trust and the CRA have formed a partnership. This agreement provides for The Trust to remit to the CRA the associated tax increment revenues. These funds are then returned to The Trust provided that these revenues are not needed for certain CRA debt services in exchange for The Trust making an equivalent amount of funding available for children's programs within the CRA's area. Consequently, non-operating expenditures pertaining to the interlocal agreement exceeded the budget by the same amount.

Variances between the amended budgeted expenditures of \$173.6 million and total actual expenditures of \$154.9 million were primarily attributable to providers incurring less expenditures than initially budgeted. Conservatively, The Trust prepares its budget based on full contract award amounts; whereas, providers typically do not spend their awards at full value. In recognition that providers may need a network to provide much needed services to our children and families and to reduce the under-utilization of contracted funds, The Trust monitors the utilization of its contracts throughout the year, working closely with providers to facilitate collaboration efforts with community partners in effort to improve contract utilization.

Economic Factors, Next Year's Budget and Tax Rates

The Trust's economic condition is closely aligned to Miami-Dade County's (County) fiscal and economic growth, in particular the real estate market. Overall, the County's economic activity reflects that residential properties continue to increase in value. This is supported by the 2020-2021 final gross taxable value on which property taxes were assessed at was \$326 billion and the valuation for fiscal year 2021-2022 being \$340 billion, for an increase of \$14 billion, or 4.3%. However, since March 2020, the COVID-19 global pandemic has had a tremendous impact on the County's economy, most notably on tourism and hospitality and international trade, triggering the first recession caused by a contraction in the services sector. Despite the pandemic, the

housing market has continued to show resiliency. While The Trust is aware that the health, economic, educational and social impacts of the COVID-19 pandemic will be far-reaching and recovery slow, The Trust is poised to provide continued quality programming for our children and families through prudent fiscal management and maintenance of its healthy financial position.

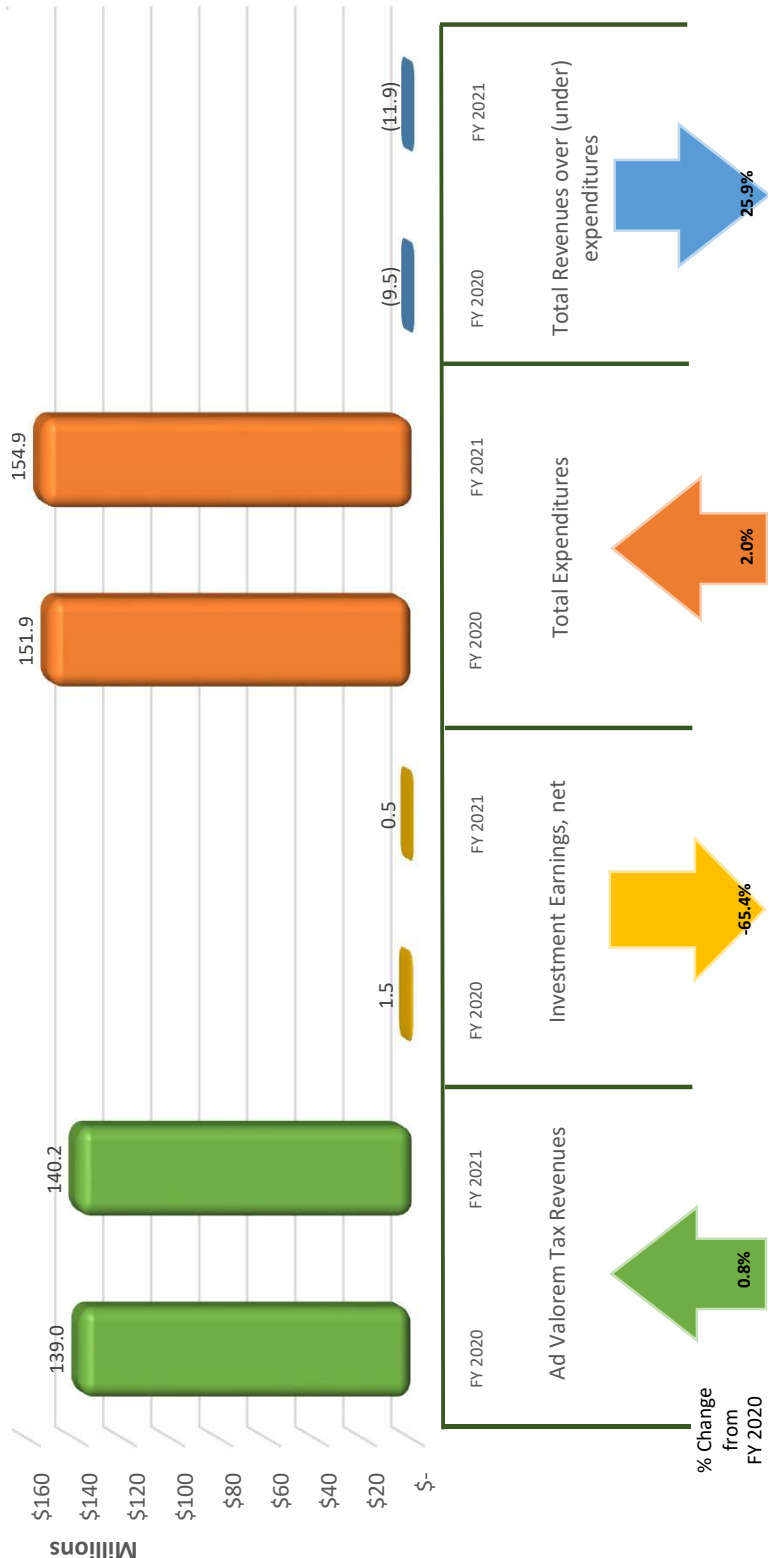
The Trust is authorized to levy up to .5000 mills. In the 2021-2022 fiscal year, the board, following the recommendation of its finance and operations committee to strategically and prudently meet The Trust's goal and objectives, adopted the rate of 0.5000 mills. This millage rate ensures the continued successful implementation of the board's strategic plan while considering the impact that the millage has on taxpayers. This will enable The Trust to deliberately increase investments in children and families programs by expanding its reach.

The operating budget for fiscal year 2021-2022 is \$178.7 million, which is inclusive of a \$5.1 million increase from the previous year's operating budget of \$173.6 million due to the continued planned expansion of program services. The operating budget was strategically planned for as The Trust released a new funding cycle in the 2018-2019 fiscal year, with the first year of the five-year funding cycle commencing with the 2019-2020 fiscal year and ending in the 2023-2024 fiscal year. This funding cycle is one of The Trust's largest competitive solicitations since its inception, allowing for the increased investment in children and families programs.

The Children's Trust

Comparative Fiscal Highlights

For the fiscal year ended September 30, 2021



The Children's Trust
Balance Sheet - General Fund
September 30, 2021

Assets		General Fund
Current Assets		
Cash	\$	28,544,268
Investments:		
Certificates of deposit		30,000,986
Money market		579,426
SBA		227,657
Accounts receivable		8,085
Provider receivable		-
Taxes receivable		425,926
Grants receivable		-
Interest receivable		-
Due from other governmental local agencies		-
Prepaid insurance		1,718
Prepaid other		38,938
Total assets	\$	59,827,004
Liabilities & Fund Balances		
Liabilities		
Accounts payable	\$	24,101,482
Dues from other governmental local agencies		86,211
Accrued wages payable		252,059
Other current liabilities		2,790
Unearned revenue		-
Total liabilities	\$	24,442,542
Fund balances		
Non-spendable prepaid items	\$	40,656
Restricted:		
Provider services		35,343,806
Total fund balances	\$	35,384,462
Total liabilities & fund balances	\$	59,827,004

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

FY 2021 budget vs. FY 2021 actual (September 30)

	FY 2021 Amended Budget (Information Purposes Only)	FY 2021 Year to Date Actual		FY 2021 vs 2020 % Actual to Actual		FY 2021 vs 2020 % Actual to Budget
FUND BALANCE, Adopted Budget October 1, 2020	\$ 50,649,434					
REVENUES						
Ad valorem tax revenues	\$ 139,822,634	\$ 140,156,043	↑	0.8%	↓	-0.3%
CRA return/interlocal agreement	2,000,000	2,369,104	↑	21.8%	↑	2%
Investment earnings/miscellaneous	700,000	505,227	↓	-65.4%	↓	-26%
Total revenues	\$ 142,522,634	\$ 143,030,374	↑	0%	↓	-29%
SUSTAIN AND EXPAND DIRECT SERVICES						
Parenting	\$ 19,661,000	\$ 17,827,030	↑	8%	↓	-2%
Early childhood development	33,841,017	30,452,142	↑	1%	↓	-12%
Youth development	59,828,817	52,763,611	↑	4%	↑	3%
Health and wellness	21,079,306	17,651,462	↓	-6%	↓	-7%
Family and neighborhood supports	11,988,108	11,331,013	↑	4%	↑	1%
Total sustain and expand direct services	\$ 146,398,248	\$ 130,025,258	↑	2%	↓	-2%
COMMUNITY AWARENESS AND ADVOCACY						
Promote public policy and legislative agendas	\$ 215,300	\$ 134,863	↓	-11%	↓	-8%
Public awareness and program promotion	2,969,000	2,721,725	↑	13%	↑	10%
Promote citizen engagement and leadership to improve child and family condition	1,115,000	1,055,076	↑	22%	↑	17%
Cross-funder collaboration of goals, strategies and resources	1,735,000	1,332,468	↓	-11%	↓	-9%
Total community awareness and advocacy	\$ 6,034,300	\$ 5,244,132	↑	6%	↑	5%
PROGRAM AND PROFESSIONAL DEVELOPMENT						
Supports for quality program implementation	\$ 3,100,000	\$ 2,567,527	↓	-15%	↓	-15%
Information systems	950,000	802,921	↓	-10%	↓	-10%
Program evaluation and community research	500,000	265,460	↑	8%	↑	4%
Innovation funds	1,250,000	864,536	↓	-27%	↓	-26%
Total program and professional development	\$ 5,800,000	\$ 4,500,444	↓	-16%	↓	-15%
ADMINISTRATION AND NON-OPERATING EXPENDITURES						
Management of The Children's Trust	\$ 10,763,703	\$ 10,145,241	↑	2%	↓	-1%
Non-operating expenditures	4,600,000	5,015,795	↑	12%	↓	-2%
Total administration and non-operating expenditures	\$ 15,363,703	\$ 15,161,036	↑	5%	↓	-1%
				0%		
Total expenditures	\$ 173,596,251	\$ 154,930,870	↑	2%	↓	-2%
Total revenues over/(under) expenditures	\$ (31,073,617)	\$ (11,900,496)				
Ending fund balance, reserves/net assets, adopted budget	\$ 19,575,817					

Comparative Monthly Financial Statement

FY 2021 vs. FY 2020 actual (September 30)

	FY 2021 Year to Date Actual	FY 2020 Year to Date Actual	Dollar Variance	% Variance
REVENUES				
Ad valorem tax revenues	\$ 140,156,043	\$ 139,040,709	\$ 1,115,333	1%
CRA return/interlocal agreement	2,369,104	1,944,939	424,165	22%
Investment earnings/miscellaneous	505,227	1,461,246	(956,019)	-65%
Total revenues	\$ 143,030,374	\$ 142,446,894	\$ 583,479	0%
EXPENSES				
Sustain and expand direct services	\$ 130,025,258	\$ 127,204,036	\$ 2,821,222	2%
Community awareness and advocacy/program and professional development	9,744,576	10,291,528	(546,952)	-5%
Administration and non-operating expenditures	15,161,036	14,405,886	755,150	5%
Total expenses	\$ 154,930,870	\$ 151,901,450	\$ 3,029,420	2%
Total revenues over/(under) expenditures	\$ (11,900,497)	\$ (9,454,556)	\$ (2,445,941)	26%