

# The Children's Trust



## Monthly Financial Statements (Unaudited)

For the nine month ended June 30, 2020

Prepared by : The Children's Trust Finance Department

Approved by:

  
William Kirtland (Sep 11, 2020 14:19 EDT)

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

# TABLE OF CONTENTS

Management Discussion & Analysis (MD&A).....	1-2
Comparative Fiscal Highlights .....	3
Balance Sheet - General Fund.....	4
Annual Budget vs. Year-to-Date Actual - General Fund.....	5
Comparative Monthly Financial Statement.....	6

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

## 2019-20 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 increased its direct service funding by \$29.8 million since its last funding cycle ending in fiscal year 2018. In alignment with the strategic plan and the Board's guidance the funds will be allocated as follows:
  - Early Childhood Development \$29.6m
  - Youth Development \$59.8m
  - Parenting \$17.8m
  - Health & Wellness \$20.8m
  - Family & Neighborhood Supports \$11.6m
- The Miami-Dade Property Appraiser reported an assessed tax roll of \$310.9 billion, which equates to approximately:
  - Based on 0.4680 millage rate (tax increase), ad valorem tax revenue = \$138.2m, this represents a 12.73% tax increase.
- Miscellaneous revenues are expected to decrease during the fiscal year 2020. Trust manages its funds to primarily emphasize safety, liquidity, and return (in that order). During the fiscal year 2019, interest rates for 30, 60, 90-day and 1-year Certificates of Deposit were higher than recent fiscal years. Near the end of the fiscal year 2019 The Trust observed that interest rates were steadily decreasing heading into the fiscal year 2020. The Trust is also reducing its fund balances reserves, therefore less funds will be available to earn interest revenue.

## Management and Non-Operating Expenditures

- The Children's Trust has reduced the management (G&A) expenses to 6.29% of its total expenses, an all-time low.
- The Trust can expect an increase to non-operating expenditures. The Trust budgets funds for obligations to the remaining Community Redevelopment Areas (CRAs) for the fiscal year 2020, which include Overtown and Omni areas of the City of Miami. The Trust commits these funds on an annual basis. The amount obligated to these areas depends upon the amount of ad valorem tax revenue generated by these communities and supporting the respective portion of the Children's Trust operating revenue. Because the Trust adopted the millage rate of 0.4680, a tax increase, The Trust will have an increased obligation to these areas.

## 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 2020	FY 2019
October	0.0%	0.0%
November	7.2%	26.9%
December	76.3%	79.3%
January	83.7%	83.2%
February	87.1%	86.6%
March	89.1%	88.9%
April	92.2%	93.3%
May	94.2%	95.1%
<b>June</b>	<b>95.3%</b>	<b>98.9%</b>

### *Fund Balance / Drawdown Strategy*

In response to the growing fund balance, The Trust:

- Adopted a tax increase rate of 0.4680 for the fiscal year 2020, which would increase revenues from the fiscal year 2019. The increased revenue will slow the utilization rate of existing fund balance reserves.
- Spend additional funds during fiscal year 2020 in program services, which included the funding for the current and expanded 5-year solicitation, as well as some contract adjustments and new awards, (Fiscal years 2019-2023) cycle by approximately \$29,800,000 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.

# The Children's Trust

## Comparative Fiscal Highlights

For the nine month ended June 30, 2020



The Children's Trust

**Balance Sheet - General Fund**

June 30, 2020

<b>Assets</b>	<b>General Fund</b>	
Current Assets		
Cash	\$	47,094,297
Investments:		
Certificates of deposit		55,000,000
Money market		1,677,030
SBA		227,083
Accounts receivable		-
Provider receivable		-
Taxes receivable		-
Grants receivable		-
Interest receivable		-
Due from other governmental local agencies		-
Prepaid insurance		20,878
Prepaid other		-
<b>Total assets</b>	<b>\$</b>	<b>104,019,288</b>
<b>Liabilities &amp; Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$	3,398,329
Dues from other governmental local agencies		-
Accrued wages payable		-
Other current liabilities		-
Unearned revenue		-
<b>Total liabilities</b>	<b>\$</b>	<b>3,398,329</b>
<b>Fund balances</b>		
Non-spendable prepaid items	\$	20,878
Restricted:		
Provider services		100,600,081
<b>Total fund balances</b>	<b>\$</b>	<b>100,620,959</b>
<b>Total liabilities &amp; fund balances</b>	<b>\$</b>	<b>104,019,288</b>

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

FY 2020 budget vs. FY 2020 actual (June 30)

	FY 2020 Amended Budget (Information Purposes Only)	FY 2020 Year to Date Actual	FY 2020 vs 2019 % Actual to Actual	FY 2020 vs 2019 % Actual to Budget
<b>FUND BALANCE, Adopted Budget October 1, 2019</b>	\$ 43,216,466			
<b>REVENUES</b>				
Ad valorem tax revenues	\$ 138,228,712	\$ 131,720,691	↑ 8.6%	↓ -3.7%
CRA return/interlocal agreement	1,674,100	-	→ 0.0%	→ 0%
Investment earnings/miscellaneous	1,490,000	1,229,718	↓ -35.9%	↓ -68%
<b>Total revenues</b>	<b>\$ 141,392,812</b>	<b>\$ 132,950,409</b>	<b>↑ 8%</b>	<b>↓ -16%</b>
<b>SUSTAIN AND EXPAND DIRECT SERVICES</b>				
Parenting	\$ 17,773,000	\$ 9,980,624	↑ 14%	↑ 7%
Early childhood development	29,641,017	17,287,371	↑ 149%	↑ 34%
Youth development	59,828,817	27,090,013	↑ 0%	↓ 0%
Health and wellness	20,779,306	12,358,195	↑ 3%	↑ 2%
Family and neighborhood supports	11,688,108	6,498,757	↓ -1%	↓ -1%
<b>Total sustain and expand direct services</b>	<b>\$ 139,710,248</b>	<b>\$ 73,214,960</b>	<b>↑ 20%</b>	<b>↑ 8%</b>
<b>COMMUNITY AWARENESS AND ADVOCACY</b>				
Promote public policy and legislative agendas	\$ 215,300	\$ 144,070	↑ 5%	↑ 3%
Public awareness and program promotion	2,969,000	646,007	↓ -24%	↓ -7%
Promote citizen engagement and leadership to improve child and family condition	1,115,000	253,375	↓ -2%	↓ -1%
Cross-funder collaboration of goals, strategies and resources	1,735,000	1,007,782	↑ 109%	↑ 30%
<b>Total community awareness and advocacy</b>	<b>\$ 6,034,300</b>	<b>\$ 2,051,234</b>	<b>↑ 19%</b>	<b>↑ 5%</b>
<b>PROGRAM AND PROFESSIONAL DEVELOPMENT</b>				
Supports for quality program implementation	\$ 3,100,000	\$ 1,791,351	↑ 78%	↑ 25%
Information systems	950,000	686,266	↑ 2%	↓ -12%
Program evaluation and community research	500,000	155,095	↓ -32%	↓ -15%
Innovation funds	1,250,000	1,138,388	↑ 2882%	↑ 88%
<b>Total program and professional development</b>	<b>\$ 5,800,000</b>	<b>\$ 3,771,100</b>	<b>↑ 94%</b>	<b>↑ 31%</b>
<b>ADMINISTRATION AND NON-OPERATING EXPENDITURES</b>				
Management of The Children's Trust	\$ 10,383,703	\$ 6,928,105	↓ 0%	↓ 0%
Non-operating expenditures	4,048,290	3,103,565	↑ 19%	↑ 8%
<b>Total administration and non-operating expenditures</b>	<b>\$ 14,431,993</b>	<b>\$ 10,031,670</b>	<b>↑ 5%</b>	<b>↑ 2%</b>
<b>Total expenditures</b>	<b>\$ 165,976,541</b>	<b>\$ 89,068,964</b>	<b>↑ 20%</b>	<b>↑ 8%</b>
<b>Total revenues over/(under) expenditures</b>	<b>\$ (24,583,729)</b>	<b>\$ 43,881,445</b>		
<b>Ending fund balance, reserves/net assets, adopted budget</b>	<b>\$ 18,632,737</b>			

The Children's Trust

**Comparative Monthly Financial Statement**

FY 2020 vs. FY 2019 actual (June 30)

	<b>FY 2020 Year to Date Actual</b>	<b>FY 2019 Year to Date Actual</b>	<b>Dollar Variance</b>	<b>% Variance</b>
<b>REVENUES</b>				
Ad valorem tax revenues	\$ 131,720,691	\$ 121,321,315	\$ 10,399,376	9%
CRA return/interlocal agreement	-	-	-	0.0%
Investment earnings/miscellaneous	1,229,718	1,919,668	(689,950)	-36%
<b>Total revenues</b>	<b>\$ 132,950,409</b>	<b>\$ 123,240,983</b>	<b>\$ 9,709,426</b>	<b>8%</b>
<b>EXPENSES</b>				
Sustain and expand direct services	\$ 73,214,960	\$ 61,251,468	\$ 11,963,492	20%
Community awareness and advocacy/program and professional development	5,822,334	3,673,694	2,148,640	58%
Administration and non-operating expenditures	10,031,670	9,565,045	466,625	5%
<b>Total expenses</b>	<b>\$ 89,068,964</b>	<b>\$ 74,490,207</b>	<b>\$ 14,578,756</b>	<b>20%</b>
<b>Total revenues over/(under) expenditures</b>	<b>\$ 43,881,445</b>	<b>\$ 48,750,774</b>	<b>\$ (4,869,330)</b>	<b>-10%</b>