



Annual Comprehensive Financial Report

For Fiscal Year Ending September 30, 2021



Investing in Their Future...
Because All Children Are Our Children

The Children's Trust is a Special Independent Taxing District located in Miami-Dade County, Florida



Because All Children Are Our Children

THE CHILDREN'S TRUST

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2021

Issued By:

James R. Haj
President & Chief Executive Officer

Prepared By the Finance Department:

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Wendy Duncombe, CPA, CGMA, Controller

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Introductory Section





Board of Directors

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Pamela Hollingsworth
Vice-Chair
Mark A. Trowbridge
Treasurer
Karen Weller
Secretary

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James R. Haj
President & CEO

County Attorney's Office
Legal Counsel

March xx, 2022

To the Board of Directors of The Children's Trust:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of The Children's Trust, Miami, Florida (The Trust), for the fiscal year ended September 30, 2021. Florida Statutes require that every independent special taxing district of local government publish, within nine months of the close of each fiscal year, a complete set of audited financial statements. In addition to meeting this legal requirement, this report represents The Trust's tradition of full financial disclosure.

The ACFR's role is to assist stakeholders in making economic, social and political decisions, and in assessing the accountability of The Trust to the citizenry by:

- Comparing actual financial results with the legally adopted annual budget;
- Assessing The Trust's financial condition and results of operations;
- Demonstrating compliance with finance-related laws, rules and regulations; and
- Evaluating the efficiency and effectiveness of The Trust's operations.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of The Trust. We believe the data, as presented, is accurate in all material respects and that it is organized in a manner to fairly present the financial position and results of The Trust's operations. Moreover, all disclosures necessary to enable the reader to understand The Trust's financial activities have been included.

Marcum LLP, independent auditors, has issued an unmodified opinion of The Trust's financial statements for the fiscal year ended September 30, 2021. The independent auditors' report is located at the front of the financial section of this report. The Trust's financial statements have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). The Trust's Management Discussion and Analysis document (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements the letter of transmittal and should be read in conjunction with it.

Accounting and Internal Controls:

Management of The Trust is responsible for establishing and maintaining an internal control system to ensure that assets of The Trust are protected from loss, theft or misuse. Strong internal controls ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. An internal control system provides reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- The cost of a control should not exceed the benefits likely to be derived; and
- The valuation of costs and benefits requires estimates and judgments prepared by management.

Profile of The Children's Trust:

The Children's Trust is the geographically largest of Florida's nine independent Children's Services Councils (CSCs) created under Chapter 125 of the Florida Statutes (the Statute), which authorizes counties to pursue a voter referendum that provides authority to tax property to fund programs for children and families. The Trust was approved by the voters of Miami-Dade County (the County) by special referendum on September 10, 2002 and was established as an independent special taxing district. A "sunset provision" required that the initiative be returned within five years for voter approval, and that vote took place August 26, 2008. Despite the difficult economic climate, Miami-Dade County voters decided in overwhelming numbers – by 86 percent – to reauthorize The Children's Trust to continue to provide high quality services to children and families of the County.

The Trust operates under the guidance of a thirty-three (33) member board of directors (the Board) comprised of: seven individuals recommended by the Miami-Dade Board of County Commissioners and appointed by the Governor; twenty-two (22) members appointed by virtue of the office or position they hold within the community; and four members-at-large appointed by a majority of the Board. Board members appointed by the Governor serve four-year terms. The youth representative member and the State of Florida legislative delegate member each serve a one-year term. Members appointed by reason of their position are not subject to term limits. All at-large members serve two-year terms.

The Trust's mission is to "partner with the community to plan, advocate for and fund strategic investments that improve the lives of all children and families in Miami-Dade County." To accomplish this goal, the Statute allows The Trust to levy a tax of up to 0.5000 mills of the assessed property tax value. The Trust is not a component unit of any other

governmental unit, nor does it meet the criteria to include any governmental organization as a component unit.

The jurisdiction of The Trust is contiguous with Miami-Dade County, the largest county in Florida. It is located along the southeast tip of the Florida peninsula, bound by Biscayne Bay and the Atlantic Ocean to the east, Everglades National Park to the west, the Florida Keys to the south and Broward County to the north. It occupies an area of more than 2,000 square miles, one-third of which is located in Everglades National Park. Due to its proximity to the southern hemisphere and high volume of travel and trade within the region, Miami-Dade County is often referred to as the "Gateway to Latin America and the Caribbean."

2020-21 Operational Leadership and Highlights:

The Trust has developed a robust leadership role in the Miami-Dade community. Management of The Trust is especially vigilant to ensure that funding processes remain transparent, fair and equitable, and that funding is awarded to the highest quality programs, while balancing the need to provide critical services to our most impoverished communities. Our motto "Because All Children Are Our Children" guides the work of The Trust, which involves ensuring that children receive the family and community supports that build the essential foundations every child needs and deserves—to grow up healthy and happy. These foundations include healthy relationships, high-quality learning environments from birth, prosperity and financial stability, as well as healthy environments and supportive services.

Partnerships and collaborations are critical to achieving the desired results for children and families across the community. No single strategy or program can be responsible for improving community-level indicators. Rather, the combined efforts of other funders, public and private children's agencies, faith-based communities, families, community stakeholders and residents are needed to effect community change. We fully understand this and work hard to collaborate with other funders and policymakers.

The lives of children and families in Miami-Dade County are getting back on track, and The Children's Trust has helped ease the transition to new realities caused by COVID-19. Throughout the 2020-2021 fiscal year, we supported providers and the families they serve with a bridge from the uncertainty of the pandemic to a return to practices that help our children develop in the best possible ways. Our community investments made through 343 contracts with 184 agencies, as well as numerous service agreements with community partners, continued to exhibit remarkable flexibility, creativity and compassion in support of children and families during the establishment of a "new normal." With the board's continued strategic and funding guidance, The Children's Trust has maintained and expanded programming support across our primary investment areas as highlighted throughout this report.

Leading into last summer, our providers focused on a return to in-person programming ahead of our back-to-school efforts, while The Children's Trust staff began returning to the physical office environment after 18 months of primarily working remotely. To support our funded agencies in their return to in-person services, The Children's Trust maintained a high level of provider engagement and communication, utilizing on-the-ground input to guide our decision making and co-develop 150 modified summer service plans. We held numerous virtual provider meetings over the year, hosting hundreds of provider staff members at each. Additionally, last year we launched an annual provider survey to guide improvements to professional development supports and resources, and we received

more than 1,500 staff responses. We recently held two information, input and networking sessions about upcoming initiatives to be solicited in early 2022, and several hundred community stakeholders engaged with us and with one another.

The Children's Trust's summer camps served more than 14,000 children and youth, and prior to the start we held a massive book and personal protective equipment (PPE) drive-thru event to ensure safe environments, engagement and learning. The event was a rousing success, distributing more than 16,000 books and over a million PPE items to nearly 250 providers. Summer programs and other activities focused on literacy and other supports to counteract learning loss resulting from the "COVID-19 slide," such as those highlighted below.

A new and innovative summer partnership with Miami-Dade County Public Schools, Summer 305, brought more than 400 certified teachers to our 300+ summer camp sites for tutoring and teaching in reading, math and other subjects to help get them back on track ahead of the school year.

The Summer Battle of the Books literary challenge was a 6-week event filled with activities, special guests and more that prompted kids to read in a quest to be crowned the ultimate "Book Battle Warrior" at the final virtual competition. Trust summer campers and others in the community received the books that were distributed to our providers, who facilitated activities culminating in more than 800 children participating in the Book Battle finale.

Last year, we released and awarded funding for an Afterschool Meals Program Food Sponsor to offer healthy beverages, snacks and lunches in our youth development programs.

The sixth year of the Summer Youth Internship Program (SYIP), funded by The Children's Trust, CareerSource South Florida and Miami-Dade County, and managed by Miami-Dade County Public Schools (M-DCPS), engaged more than 2,300 high school students in a 150-hour paid summer work experience. Three-quarters of participating students qualified for free/reduced-price lunch and 13 percent were youth with disabilities. Student interns from high schools across the county worked over 300,000 collective hours at 655 organizations and companies.

Developed through our Miami-Dade Campaign for Grade-Level Reading, READy, Set, Go Miami! delivered more than 50 early literacy workshops in English, Spanish and Haitian Creole throughout the month of May to build upon what families are doing to support early learning at home for children under 5. Through this initiative, 2,000 meals and 500 literacy-focused goody bags were distributed.

The Children's Trust Book Club, expanded to all children birth to 5 years old in 2020, nearly doubling its membership over the past year to nearly 40,000. Book Club members receive a new book for free by mail every month in English or Spanish, along with a reading guide for parents with activities, information and suggestions on how to share the book with their children. Our Book Club partnership with Miami-Dade County's Community Action and Human Services' Head Start programs won the Edward Zigler Innovation Award at the state and regional levels.

Late last year, The Children's Trust lined up a series of presentations and discussions as part of our Ad Hoc Early Childhood Committee held in early November, where key stakeholders and industry experts shared the latest data, trends and needs related to early childhood

programming and policy at the federal, state and local levels. The intent of the meeting was to ensure alignment of strategies and resources, so all are working collectively and utilizing accurate data to help ensure families have access to high-quality child care options. Presenting organizations included the Federal Reserve Bank of Atlanta, Florida Chamber of Commerce, the Florida Children's Council, the University of Florida Anita Zucker Center for Excellence in Early Childhood Studies, and the Miami-Dade IDEAS Consortium for Children. Miami-Dade Mayor Daniella Levine Cava also joined the meeting, voicing her support.

Last year, we released and awarded funding for a new set of Early Childhood Community Research Partnership Demonstration projects. In early November, we held a results summit to hear about the inaugural group of seven demonstration projects that were funded by The Children's Trust from 2017-2021.

The Children's Trust Thrive by 5 Quality Improvement System (QIS) efforts have received state and national-level recognition of our innovative and equity-focused approach to improving the quality and availability of high-quality early learning programs for young children who need them most. Our work was recently featured as three Trust staff members presented with national experts in a Build Initiative webinar. In addition, collaboration within our Miami-Dade IDEAS (Integrating Data for Effectiveness Across Systems) Consortium for Children partnership led to the University of Miami and University of Florida being awarded a Robert Wood Johnson Foundation equity-focused policy research grant to examine access to early learning resources and family supports in Miami-Dade County by evaluating our QIS efforts. Much of the QIS success rests on the partnership with providers through our Early Learning Provider Advisory Group. Last year, The Children's Trust hosted a Thrive by 5 Professional Development Summit in partnership with Miami Dade College, Florida International University, Barry University, the Early Learning Coalition of Miami-Dade/Monroe, Miami-Dade County and the Children's Forum. The summit exposed early learning educators to various career pathways, expert panels, and informational sessions about supports available in our community.

The Children's Trust remains committed to increased Racial Equity Diversity and Inclusion (REDI) and Social and Emotional Wellness (SEW) across our work at the board, staff, funded program, and community levels as part of our organization's overall vision and mission. As longstanding issues of concern, our board's Racial Equity and Social Justice Committee directed staff and expert consultants to hold a series of community listening sessions in November and December of 2020, which the board discussed further at its February 2021 retreat. With this multifaceted input, we began development of a multi-year REDI/SEW implementation plan last spring. Core elements are centered around engagement and systems planning, building capacity, institutional change, and sustainability. As part of our ongoing REDI/SEW efforts in 2020-2021, The Children's Trust accomplished the following.

Last October, the board approved \$1 million in new funding to support interwoven REDI/SEW awareness and training efforts to strengthen provider and staff professional development regarding mental health, trauma, SEW and REDI.

During board priority setting and budget planning, the board endorsed a \$4 million increase in the new funding cycle for Family and Neighborhood Support Partnerships starting in October 2022, to ensure children's basic needs are met as a foundational requirement for success.

Trust staff in programs, communications and community engagement strive to ensure ongoing communication with currently funded providers and other community agencies and stakeholders to increase awareness about the work and investments of The Children's Trust and how the work is accomplished through our policies and procedures.

The Children's Trust research staff, with the support of expert consultation, carried out in-depth reviews of our competitive solicitation grant content and processes to ensure a more REDI-sensitive approach. Several solicitations over the past year have specifically prioritized funding for proposals that incorporated a REDI/SEW focus.

We have built the internal capacity of Trust staff through a series of facilitated REDI peer learning and training activities, such as the YWCA 21 Day Challenge and programming facilitated by Bridge Builders 305.

Together with several other South Florida funders, we established the Paradise Found Network to learn and share about how to address racial inequities and social injustices within our community more intentionally.

The Children's Trust Family Expo event returned after a year's hiatus due to the pandemic. Conscious of the need to reach out to communities and meet families where they are, the Family Expo was held at four different outdoor locations around the county in Cutler Bay, Doral, Downtown and Miami Gardens, with nearly 5,000 people attending.

Last year's Florida Legislative Session was one of our most successful, with all our priority items receiving approval, including bills that addressed poverty, early learning and juvenile justice. We are also local partners with Miami-Dade County in connection with Mayor Daniella Levine Cava's Peace and Prosperity Plan. The Plan incorporates two of our long-funded programs: the Summer Youth Internship Program and the Fit2Lead program. Additionally, in response to the tragedy of the collapse of the Champlain Towers South condo building in Surfside, The Children's Trust activated a crisis support webpage to connect the community with our funded programs offering crisis, trauma and mental health supports.

No organization that aims for the lofty results such as ours can succeed on its own. Partnerships and collaborations are critical to improving community-level indicators. Our coordinated efforts include work with other funders, policymakers, public and private children's agencies, faith-based communities, families, community stakeholders, and residents.

Spending over the past year has been in line with the board's priorities and the approved budget. Youth development remains our largest investment area, followed by early childhood programs, health and wellness, and parenting. The Children's Trust will continue to fund an expansive and high-quality portfolio of prevention and early intervention programs for all children, and especially for those at greater risk due to family and community conditions. We continue our commitment, both in number and quality, to the full participation of children with special needs in all programs we fund.

Fiscal and Budget Policy:

The Trust's annual budget serves as the foundation for its financial planning and control. Long-term financial planning for a government usually includes some aspects related to capital expenditures and revenue and expense forecasts; however, The Trust is somewhat

limited regarding capital expenditures because the Statute precludes The Trust from incurring debt of any kind. The budget is prepared by function and transfers of appropriations among programs require Board approval. Budget-to-Actual comparisons are provided in this report in the Financial Section. The Trust's budgeted revenues are derived from the property tax levy authorized by the Statute. The Property Tax Appraiser's Office determines the property tax values by July 1 of each year. The Trust holds public hearings in September, as required under the Truth-in Millage (TRIM) Act, during which the Board sets the final tax rate and adopts the budget.

The approved 2020-2021 budget includes total operating expenditures of \$173.6 million, the largest operating budget in Trust history, and total ad valorem tax revenues of approximately \$139.8 million. Since the beginning of the funding cycle for most major initiatives, beginning with fiscal year 2018-2019, The Children's Trust committed an additional \$35.1 million annually, and \$162.4 million over the five-year cycle, in additional funds earmarked for program services for the fiscal years 2019-2023. This five-year commitment continues to emphasize the importance of program spending that provides critical services for children and families in our community. The 2020-2021 millage rate of 0.4507 resulted in a property tax increase of 0.0 percent, a "rolled-back" rate. The rolled-back rate is the millage rate that would generate approximately the same amount of property tax revenues as approved for the prior year. This millage rate ensured continuity and expansion of critical program services. The median taxable value for residential property with a \$50,000 homestead exemption for the 2020-2021 tax year is \$50.79. The 2020-2021 budget reflects management expenses of 6.2 percent of total expenses. The budget aligns with our strategic plan and enables The Trust to fully fund existing programs and continue to expand services across priority investment areas in response to great community needs.

Economic Conditions and Outlook:

When developing the level of investment for each of our major funding initiatives, we must first conduct market research and develop insight to best determine the strength of the Miami-Dade County property market in both the short and long-term. This serves as The Trust's primarily revenue source through ad valorem taxes.

Each year, The Trust obtains various market forecasts for comparison and determine viability. Prior to the 2020-21 fiscal year, the Miami-Dade County property market was growing within the range of 4.5% to 10.5% since 2015. Prior to issuance of this report, most forecasts indicated that Miami-Dade County's property market would increase anywhere from 4% to 5% each of the next 5 years. The unforeseen and devastating arrival of the COVID-19 pandemic drastically altered the worldwide economy, as well as property use and value. To adapt to this new environment, commercial and residential properties developed new roles in everyday living. As we continue to learn about the long-term effects of COVID-19 will have on Miami-Dade County property, generally we have seen residential properties continue to increase in value, while commercial property vacancies increase across the county.

At the beginning of the fiscal year, October 1, 2020, the Miami-Dade County unemployment rate was 8.5%, which had substantially risen from 2% during the prior fiscal year. As of September 30, 2021, the county unemployment is showing a trend of improvement during the final months of the fiscal year, at 5.7%. Whereas the effect of the COVID-19 pandemic has increased nationwide, state and local unemployment, it has not

had a proportional devastating effect on South Florida residential property values, and in fact, growth is still projected. During the fiscal year 2020-21 when the long-term effect of COVID-19 had not yet been fully realized, the initial projection of Miami-Dade County property value increases was 4% to 5% but was then reassessed and estimated to be 1% to 2%. Despite the temporary slowdown in property value growth, total Miami-Dade County property values increased 4.13% during the calendar year 2020, supporting the ad valorem taxes for the upcoming fiscal year of 2021-22. Most forecasts estimate that the growth rate of 4% to 5% will hold the next several years. As most of the U.S. population and economy continues to adapt and apply standards that attempt to allow us to live alongside COVID-19, as well as a more readily available vaccines and social practices, there is optimism that supports the projected growth of 4% to 5% following the 2022 year.

The COVID-19 pandemic effected the residential and commercial property markets in separate respects. As vast amounts of workforces and families gathered within their residences to work, or school, or raise a family, the single-family home and suburb residences retained or grew in value, while many regulated commercial spaces were either forced to close or extremely hampered by the economic effect of reduced commerce. However, there is some optimism for commercial spaces in the South Florida market. As regulations, business and social practices continue to evolve, Florida remains an attractive destination for migrating companies. Miami, more specifically, is positioning itself to welcome tech giants looking to relocate from states imposing restrictive standards and higher operational costs.

According to a Miami-Herald article, Miami-Dade's sizzling housing market ended 2021 at a record level. What keeps driving this upward trend? Home prices climaxed in December again, setting an all-time record, largely due to the steady stream of out-of-state buyers. Single-family home prices peaked in December, exemplifying the migration of buyers moving to South Florida from across the country during the coronavirus pandemic. In Miami-Dade, the median sales price jumped by 15% for houses to \$525,000 in December, from \$454,900 in December 2020, according to the housing data released last week by the Miami Association of Realtors. The median sales price last month is the highest ever recorded in Miami-Dade since the association started tracking the housing market in 1993. It exceeded the previous high marks in April and July when median prices reached \$515,000. Blame short supply and high demand from buyers for the lofty prices, experts say. Miami-Dade has two months of houses on the market for sale and just over three months of condos, making it an extremely tight inventory.

"South Florida is so competitive and is popular real estate," said Cordelia Anderson, founder of the Miami-based I Heart Real Estate LLC brokerage firm. "You hardly have time to have an open house." Given the slim pickings, more buyers paid cash in 2021 to land their dream home in the Miami and Fort Lauderdale metropolitan areas. In Miami-Dade, 1,387 house deals closed with cash last month, up from 963 cash deals closed in December 2020

Escalating prices and cash deals were telltale signs last year of newcomers following their companies' expansions and investors buying into a hot housing market and forcing many people in the middle-class to continue to rent. Firms keep expanding, banking on Florida state tax savings combined with the 2017 U.S. Tax Cuts and Jobs Act. In assessing the competitive Miami-area housing market, Miami Way Realty broker and President George Jalil considers this to be the consequence of having a thriving city.

Quality schools, business development and low taxes over the last five years have made quality of life in cities like Miami appealing — yet unaffordable for many people. Indeed, Miami continues to suffer a home affordability crisis, despite city and county efforts to deliver more affordable and workforce housing. With Miami-Dade County's median annual salary at \$38,688, Florida International University economics professor Ned Murray called the area "totally unaffordable." At that salary, Murray, the university's associate director of the Jorge M. Pérez Metropolitan Center for economic and housing research, said 92% of Miami-Dade households can't afford to own property. He does not expect that percentage to decrease in the next 12 months.

Condominiums remain the more attainable option for buyers, despite similar double-digit jumps in prices as single-family houses. Prices in December rose by 29% in Miami-Dade to \$355,000 from \$274,500 a year ago. The activity in high-rises defied downward predictions after the collapse of the Champlain Towers South in Surfside. Condo building tours and sales came to a halt for many real estate agents in the days after the June 2021 collapse. But months later consumer interest in buying condos resumed, indicating a determination to enter the market and a positive response to the county's efforts to check the structural integrity of buildings with five floors or higher and at least 40 years old.

Analyzing the snapshot data of Miami-Dade County real estate would generate an optimistic outlook of this market in the short-term. However, with unemployment levels much higher than they were two years ago, as well as a housing market that is outpacing the Miami-Dade County resident's ability to afford it, there has to be cause for concern the long-term economic viability and sustainability of property markets and its residents.

Certificate of Achievement for Excellence in Financial Reporting:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The Trust for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2020. This is the ninth consecutive year that The Trust has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

(Continued on the subsequent page)

Acknowledgements:

We extend our sincere appreciation to The Trust's employees who have provided countless hours of research in the preparation and production of this report. Special thanks go to the board of directors, the chairman of the board, the finance and operations committee and chairman, and The Trust's management for understanding the importance of the financial status of The Trust while maintaining a climate of financial integrity and excellence. We would like to commend all parties who diligently work to ensure that the programs funded by The Trust provide quality services within our financial means. Our appreciation is also extended to the auditing firm of Marcum LLP for their professionalism in conducting the audit of The Trust's basic financial statements and related note disclosures.

Respectfully Submitted,

James R. Haj

President & Chief Executive Officer

William Kirtland, CPA

Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**The Children's Trust
Florida**

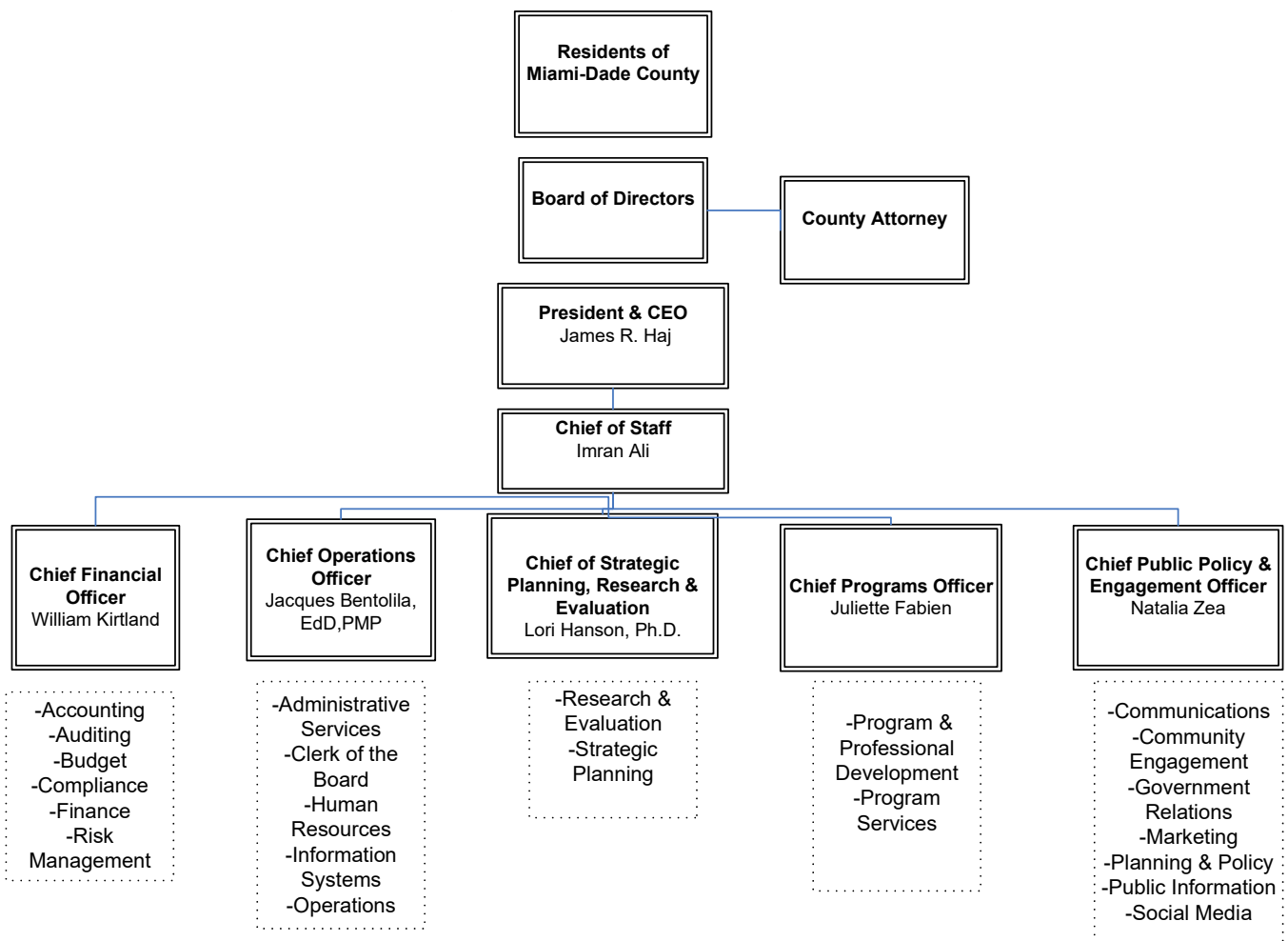
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

Organizational Chart





List of Principal Officials

OFFICERS/EXECUTIVE COMMITTEE

Kenneth C. Hoffman, Chair
Pamela Hollingsworth, Vice-Chair
Mark A. Trowbridge, Treasurer
Karen Weller, Secretary
Gilda Ferradaz
Mary Donworth
Nelson Hincapie
Richard P. Dunn II

BOARD OF DIRECTORS

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Magaly Abrahante, Ed.D.
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Hon. Isaac Salver
Sandra West



Financial Section



Independent Auditors' Report



INDEPENDENT AUDITORS' REPORT

To the Finance and Operations Committee, Members of the Board
of Directors and the Chief Executive Officer
The Children's Trust

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of The Children's Trust (the Trust) as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

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.

Auditors' Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 auditors' 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 entity'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 entity'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Trust as of September 30, 2021, and the respective changes in financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 19, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund and related notes, and Pension and Other Post-Employment Benefits Schedules on pages 64 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Trust's basic financial statements. The introductory section and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March XX, 2022 on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Trust's internal control over financial reporting and compliance.

Miami, FL
March XX, 2022

Management's Discussion and Analysis (MD&A)



The Children's Trust

Management's Discussion and Analysis

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.

Management has prepared the financial statements and the related note disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the preparers. Because the information contained in the Management's Discussion and Analysis is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with The Trust's financial statements and note disclosures found on pages 20 through 63.

Financial Highlights

An overview of significant financial information from fiscal year 2020-2021 includes:

- The Trust's total assets and deferred outflows of financial resources exceeded its total liabilities and deferred inflows of financial resources by \$28,574,166 (net position).
- Total net position is comprised of the following:
 - (1) Investment in capital assets of \$197,529, which includes computers and furniture and equipment, net of accumulated depreciation; and
 - (2) Restricted net position of \$28,376,637, which reflects the portion of net position that pertains to The Trust's obligation for provider service contracts.
- The Trust's net position decreased by \$11,594,316 for an ending balance of \$28,574,166. This intentional decrease is primarily attributable to the draw-down of net position to fund the strategically planned five-year commitments for provider services, allowing for the continued emphasis of program spending that provides critical services for children and families in our community.
- The Trust's expenses were \$154,624,690 for an increase of 0.9% from the previous year; the increase is primarily related to spending \$2.3 million or 1.7% more for direct service contracts (provider services) and was budgeted for in accordance with The Trust's strategic plan.
- The Trust's governmental fund reported a total ending fund balance of \$35,384,462; this compares to the prior year ending fund balance of \$47,284,959, which represents a decrease of \$11,900,497. The decrease in the fund balance was strategically planned to allow for the maintenance of much needed programmatic services while maintaining a minimum fund balance in accordance with the Government Finance Officers Association (GFOA) best practice.
- The Trust's governmental fund restricted fund balance totaled \$35,343,806 and represents the net current financial resources that have been appropriated by the board for provider service contracts.

The Children's Trust

Management's Discussion and Analysis

Overview of the Financial Statements

This Management Discussion and Analysis document introduces The Trust's basic financial statements. The basic financial statements include: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the basic financial statements. The Trust also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Trust's annual report includes two government-wide financial statements. These statements provide both long and short-term information about The Trust's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and includes the elimination or reclassification of activities between funds.

The first of these government-wide financial statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of The Trust's assets and deferred outflows of financial resources and liabilities and deferred inflows of financial resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of The Trust, as a whole, is improving or deteriorating. The Trust has strategically engineered a decrease in its net position for the past few years, a decrease in net position is not necessarily an indication of deteriorating financial health. The net position of The Trust as of September 30, 2021 is the desired balance of the strategic plan developed years ago. Future years will adopt a strategy that neutralizes The Trust's net position with balanced revenues and expenditures. Evaluation of the overall health of The Trust would also extend to other nonfinancial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide financial statement is the *Statement of Activities*, which reports how The Trust's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the statement of activities is to present the extent of The Trust's financial reliance on distinct activities or functions, as a result of revenues provided by The Trust's taxpayers.

The government-wide financial statements are presented on pages 20 and 21 of this report.

Fund Financial Statements

A fund is defined as an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Trust uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on The Trust's most significant funds rather than The Trust as a whole. The Trust uses only one fund, the General Fund, which is a governmental fund.

The Children's Trust

Management's Discussion and Analysis

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of The Trust's governmental fund. These statements report short-term fiscal accountability focusing on the use and balance of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balance – governmental fund provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 22 through 25 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 26 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning The Trust's budget presentation. The budgetary comparison schedule i.e. the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, is included as "required supplementary information". This schedule also includes Notes to Required Supplementary Information - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund. Other schedules also presented include the Schedule of The Children's Trust's Proportionate Share of the Net Pension Liability - Florida Retirement System Pension Plan, Schedule of The Children's Trust's Contributions - Florida Retirement System Pension Plan, Schedule of The Children's Trust's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension Plan, Schedule of The Children's Trust's Contributions - Health Insurance Subsidy Pension Plan, and Schedule of Changes in the Total OPEB Liability and Related Ratios. This information is presented on pages 64 through 70.

(Continued on the subsequent page)

The Children's Trust Management's Discussion and Analysis

Financial Analysis of The Children's Trust as a Whole

The following table provides a summary of The Trust's net position:

Summary of Net Position

	September 30, 2021		September 30, 2020	
	Amount	% of Total	Amount	% of Total
Assets				
Current assets	↓ \$ 59,827,004	99.7%	\$ 69,547,274	99.6%
Capital assets	197,529	0.3%	266,279	0.4%
Total assets	↓ 60,024,533	100.0%	69,813,553	100.0%
Deferred outflows	1,881,741	100.0%	2,505,897	100.0%
Liabilities				
Current liabilities	↑ 24,635,306	85.1%	22,444,143	70.8%
Long-term liabilities	↓ 4,321,540	14.9%	9,267,265	29.2%
Total liabilities	28,956,846	100.0%	31,711,408	100.0%
Deferred inflows	4,375,262	100.0%	439,560	100.0%
Net position				
Investment in capital assets	197,529	0.7%	266,279	0.7%
Restricted	↓ 28,376,637	99.3%	39,902,203	99.3%
Total net position	↓ \$ 28,574,166	100.0%	\$ 40,168,482	100.0%

The Trust maintains a high current ratio. The current ratio compares current assets to current liabilities and is an indication of The Trust's ability to pay current obligations. At September 30, 2021, the current ratio for governmental activities is 2.43 to 1 as compared to 3.10 to 1 at September 30, 2020.

(Continued on the subsequent page)

The Children's Trust

Management's Discussion and Analysis

Total Assets

Total assets were \$60,024,533 at September 30, 2021 and consists of two components: current assets and capital assets.

- Current Assets – the largest component of current assets was investments, which represents \$30,808,070, or 51.3%, of total assets at September 30, 2021. This amount compares to total investments of \$41,694,627, or 60.0%, of total assets at September 30, 2020. The decrease in investments by 26.1% is primarily attributable to the planned draw down of resources to fund provider.
- Capital Assets – computers and furniture and equipment, net of accumulated depreciation, totaled \$197,529 at September 30, 2021 as compared to \$266,279 at September 30, 2020. The net decrease of \$68,750 is related to the depreciation of assets during the year.

Deferred Outflows

Deferred outflows of resources represent a consumption of net position that is applicable to a future period(s) and will not be recognized as an outflow of resources (expense or an expenditure) until then. Deferred outflows of financial resources were related to The Trust's proportionate share of pension liabilities as reported by the Florida Division of Retirement and was \$1,881,741 at September 30, 2021 as compared to \$2,505,897 at September 30, 2020.

Total Liabilities

Total liabilities consisted of several components and totaled \$28,956,846 as of September 30, 2021.

- The largest component of liabilities was accounts payable, which totaled \$24,104,272 and \$21,957,779 at September 30, 2021 and 2020, respectively, and accounted for 83.2% and 69.2% of total liabilities at September 30, 2021 and September 30, 2020, respectively. Payments due to providers represent the largest portion of accounts payable and were more than the prior year due to the timing of the receipt of provider invoices.
- Net pension liability payable represents The Trust's proportionate share of pension liabilities as reported by the Florida Division of Retirement and totaled \$3,473,568 and \$8,507,399 at September 30, 2021 and September 30, 2020, respectively, and accounted for 12.0% and 26.8% of total liabilities at September 30, 2021 and September 30, 2020, respectively.
- Accrued expenses represent salaries and fringe benefits payable and totaled \$252,059, or less than 1% of total liabilities; whereas, accrued expenses totaled \$226,118 at September 30, 2020.
- Intergovernmental payable represents amounts due to the Florida Retirement System and totaled \$86,211, or less than 1%, of total liabilities; whereas, intergovernmental payable totaled \$78,418 at September 30, 2020.
- Compensated absences payable represents vacation and sick leave earned but not taken by employees and totaled \$951,224, or 3.3%, of total liabilities; whereas, compensated absences payable totaled \$867,552 at September 30, 2020. The estimated current portion at September 30, 2021 is \$95,122.

The Children's Trust

Management's Discussion and Analysis

- Total Other Post-Employment Benefits (OPEB) liability represents OPEB for eligible retirees for health insurance "implicit subsidy" premiums and totaled \$89,512, or less than 1%, of total liabilities; whereas, OPEB obligation totaled \$74,142 at September 30, 2020.

Deferred Inflows

Deferred inflows of resources represent an acquisition of net position that is applicable to a future period(s) and will not be recognized as an inflow of resources (revenue) until then. Deferred inflows of financial resources were related to The Trust's proportionate share of pension liabilities as reported by the Florida Division of Retirement and was \$4,375,262 at September 30, 2021 as compared to \$439,560 at September 30, 2020.

Net Position

Net position is composed of two sections: Investment in capital assets and restricted net position. Net position totaled \$28,574,166 at September 30, 2021 as compared to \$40,168,482 at September 30, 2020, representing a decrease of approximately \$11.6 million as opposed to a decrease of approximately \$10.7 million in the prior fiscal year. The change in net position for fiscal year 2020-2021 is primarily attributable to the strategically planned draw down of its net position to maintain and expand services to children and families. While net position is one way to measure The Trust's financial health, or financial position, a decrease in net position is not necessarily an indication of deteriorating financial health. The Trust has strategically engineered a decrease in its net position for the past few years. The net position of The Trust as of September 30, 2021 is the desired balance of the strategic plan developed years ago. Future years will adopt a strategy that neutralizes The Trust's net position with balanced revenues and expenditures.

(Continued on the subsequent page)

The Children's Trust Management's Discussion and Analysis

The following table provides a summary of The Trust's changes in net position at September 30, 2021 and 2020:

Summary of Changes in Net Position				
Governmental Activities				
For the Fiscal Years Ended September 30,				
	2021		2020	
	Amount	% of Total	Amount	% of Total
Revenues:				
General:				
Ad valorem taxes	↑ \$ 140,156,043	98.0%	\$ 139,040,709	97.6%
Investment earnings	↓ 256,447	0.2%	1,312,355	0.9%
Interlocal agreement	2,369,104	1.6%	1,944,939	1.4%
Miscellaneous	248,780	0.2%	148,891	0.1%
Total revenues	↑ 143,030,374	100.0%	142,446,894	100.0%
Program Expenses:				
Provider services	↑ 139,769,834	90.4%	137,495,564	89.7%
General administration:				
Personnel services	↓ 8,802,022	5.7%	10,078,773	6.6%
Materials and services	1,037,039	0.7%	1,144,211	0.8%
Interlocal agreement, property appraiser and tax collector fees	5,015,795	3.2%	4,491,280	2.9%
Total expenses	↑ 154,624,690	100.0%	153,209,828	100.0%
Change in Net Position	(11,594,316)		(10,762,934)	
Beginning Net Position	40,168,482		50,931,416	
Ending Net Position	\$ 28,574,166		\$ 40,168,482	

(Continued on the subsequent page)

The Children's Trust

Management's Discussion and Analysis

Governmental Activities Revenue

The Trust realized an increase in ad valorem taxes over the prior year by \$1.1 million, or 0.8%. This increase is primarily attributable to increase in property tax values. The Trust is heavily reliant on property taxes to support governmental operations. During fiscal year 2020-2021, property taxes provided 98.0% of The Trust's total revenues as compared to 97.6% in fiscal year 2019-2020. The Trust's dependence on property taxes remained fairly unchanged. As property values are assessed as of January 1 of each year and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4% for early payment, for fiscal year 2020-2021, In comparison investment earnings decreased by \$1.1 million, or 80.5%. The decrease in investment earnings is related to the reduction in investments as well as the decline in interest rates from previous years.

Governmental Activities Expenses

During fiscal year 2020-2021, total expenses increased by approximately \$1.4 million, or 0.9%, when compared to fiscal year 2019-2020. The increase in expenses was due a number of contributing factors including: spending \$2.3 million more for direct service contracts, due to strategically investing in more programs for children and families during the current five-year funding cycle and an increased utilization of provider services; increase of \$0.5 million in relation to the interlocal agreement with the CRAs (detailed information on the CRA interlocal agreement can be found on page 61); and a decrease in personnel services by \$1.3 million related to The Trust's proportionate share of pension liabilities as reported by the Florida Division of Retirement.

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The Children's Trust Management's Discussion and Analysis

Governmental Fund Financial Statement Analysis

This section presents condensed financial information from the fund financial statements. The balance sheet is found on page 22 and the statement of revenues, expenditures and changes in fund balance – governmental fund is found on page 24.

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. Detailed information on the CRA interlocal agreement can be found on page 63. The 2019-2020 CRA interlocal agreements revenue totaled \$1,944,939.
- **Other revenue** - The Trust recognized \$248,780 for miscellaneous items.

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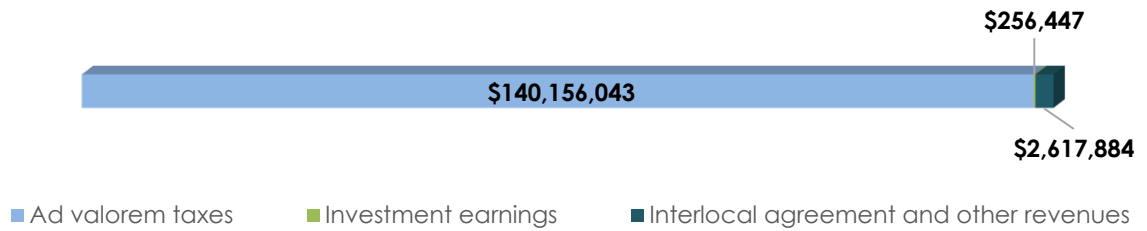
The Children's Trust
Management's Discussion and Analysis

The following table represents the revenues of The Trust for the fiscal years 2020-2021 and 2019-2020:

Revenues by Source - Governmental Fund
For the Fiscal Years Ended September 30,

Revenue Source	2021		2020	
	Amount	% of Total	Amount	% of Total
Ad valorem taxes	↑ \$ 140,156,043	98.0%	\$ 139,040,709	97.6%
Investment earnings	↓ 256,447	0.2%	1,312,355	0.9%
Interlocal agreement and other revenues	↑ 2,617,884	1.8%	2,093,830	1.5%
Total	↑ \$ 143,030,374	100.0%	\$ 142,446,894	100.0%

Revenues by Source
For the Fiscal Year Ended September 30, 2021



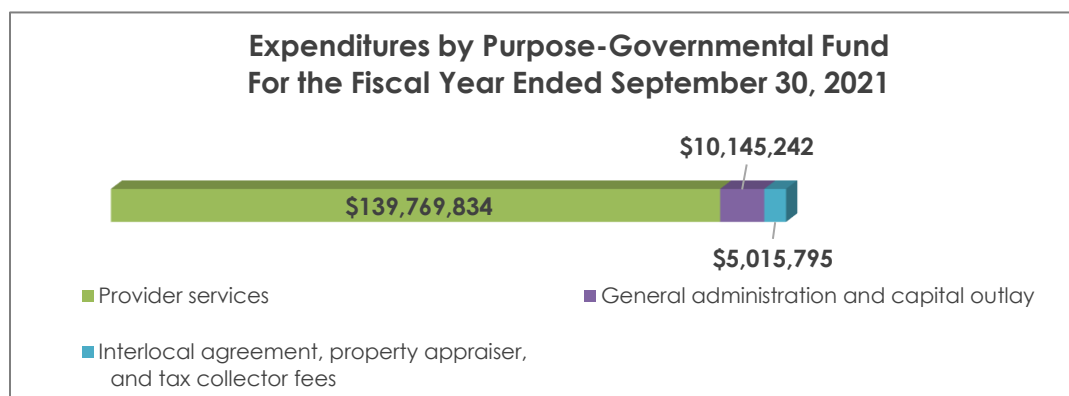
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The Children's Trust Management's Discussion and Analysis

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. The following table represents the expenditures of The Trust for fiscal years 2020-2021 and 2019-2020:

Expenditures - Governmental Fund For the Fiscal Years Ended September 30,				
Purpose	2021		2020	
	Amount	% of Total	Amount	% of Total
Provider services	↑ \$ 139,769,834	90.2%	\$ 137,495,564	90.5%
General administration and capital outlay	10,145,242	6.6%	9,914,605	6.5%
Interlocal agreement, property appraiser, and tax collector fees	↑ 5,015,795	3.2%	4,491,280	3.0%
Total	↑ \$ 154,930,871	100.0%	\$ 151,901,449	100.0%



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The Children's Trust

Management's Discussion and Analysis

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 communicates. 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.

¹ Web-based Early Learning System (WELS) for Miami-Dade County. (n.d.). Retrieved from (<https://www.welsfoundation.org/>)

The Children's Trust

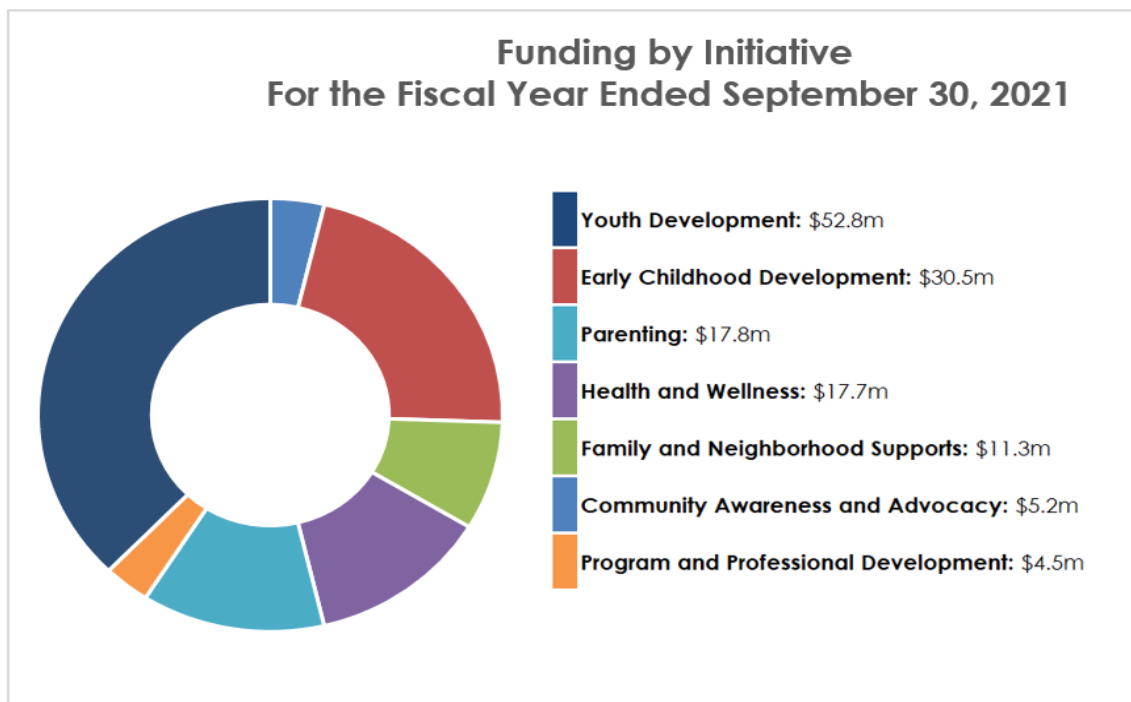
Management's Discussion and Analysis

- 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.² 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.

² Centers for Disease Control and Prevention. (2019). WISQARS™ – Web-based Injury Statistics Query and Reporting System. Retrieved from <https://wisqars.cdc.gov/nonfatal-reports>

The Children's Trust Management's Discussion and Analysis

The chart below illustrates expenditures for provider services by initiative for fiscal year 2020-2021.

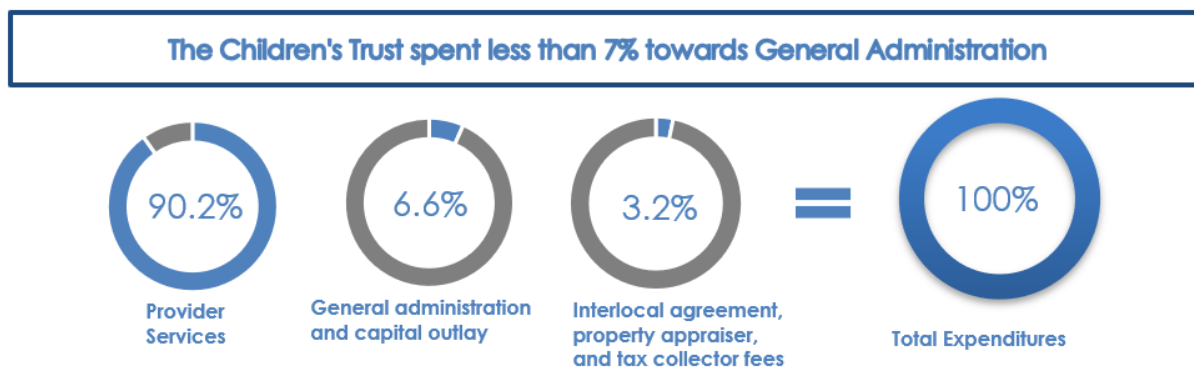


More detailed information pertaining to The Trust's major initiatives may be found in The Trust's annual report and is available from The Trust's website www.thechildrenstrust.org.

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The Children's Trust Management's Discussion and Analysis

- 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. More detailed information on the CRA interlocal agreement can be found on page 63. 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. Additional information on The Trust's capital assets can be found on pages 32 (Note 1-E-4), 42 (Note 3-D), and 61 (Note 3-L) of this report.

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.

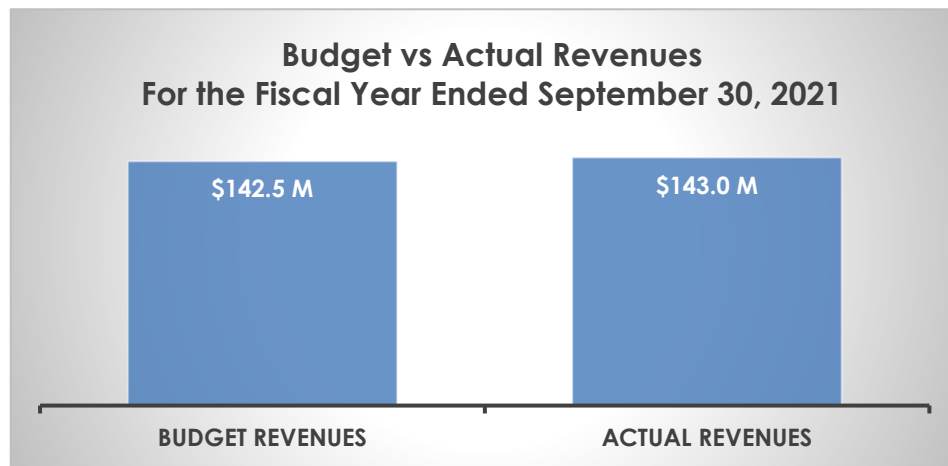
General Fund Budget

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. The Trust's 2020-2021 annual budget was amended. The original and amended budget may be found on page 64 (budgetary comparison schedule i.e. Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund) in the required supplementary information section.

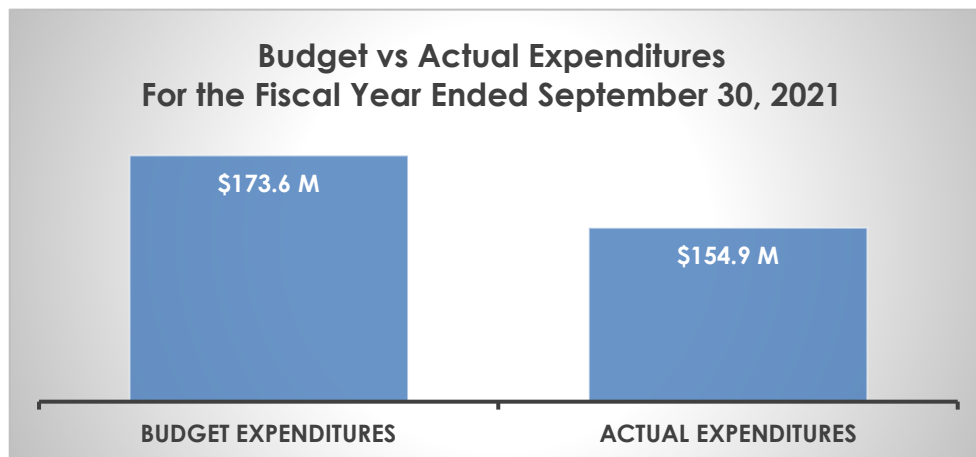
The Children's Trust Management's Discussion and Analysis

In 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. Detailed information on the CRA interlocal agreement can be found on page 63.



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.



The Children's Trust

Management's Discussion and Analysis

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.

Requests for Information

This Annual Comprehensive Financial Report is designed to provide our citizens and taxpayers with a general overview of The Trust's finances and to show The Trust's accountability for the funds that it receives. If you have questions about this report or need additional financial information, please contact the Chief Financial Officer at 3150 SW 3rd Avenue, Miami, Florida 33129.

Basic Financial Statements



These Basic Financial Statements contain Government-wide Financial Statements, Fund Financial Statements and Notes to the Basic Financial Statements

The Children's Trust
Statement of Net Position
September 30, 2021

	Governmental Activities
Assets	
Current Assets	
Cash	\$ 28,544,267
Investments	30,808,070
Receivables:	
Property taxes	425,926
Other	8,085
Prepaid items	40,656
Total Current Assets	59,827,004
Non-Current Assets	
Capital assets being depreciated, net	197,529
Deferred Outflows of Financial Resources	
Pension Plans:	
Florida Retirement System	1,475,553
Health Insurance Subsidy	406,188
Total Deferred Outflows of Financial Resources	1,881,741
Total Assets and Deferred Outflows of Financial Resources	61,906,274
Liabilities	
Current Liabilities	
Accounts payable	24,104,272
Accrued expenses payable	252,059
Intergovernmental payable	86,211
Compensated absences payable	95,122
Net pension liability:	
Health Insurance Subsidy	97,642
Total Current Liabilities	24,635,306
Long-Term Liabilities	
Compensated absences payable (net of current portion)	856,102
Net pension liability:	
Florida Retirement System	1,161,354
Health Insurance Subsidy (net of current portion)	2,214,572
Total Other post employment benefits (OPEB) liability	89,512
Total Long-Term Liabilities	4,321,540
Deferred Inflows of Financial Resources	
Pension Plans:	
Florida Retirement System	4,162,527
Health Insurance Subsidy	212,735
Total Deferred Inflows of Financial Resources	4,375,262
Total Liabilities and Deferred Inflows of Financial Resources	33,332,108
Net Position	
Investment in capital assets	197,529
Restricted for:	
Provider services	28,376,637
Total Net Position	\$ 28,574,166

See accompanying notes to the basic financial statements

The Children's Trust
Statement of Activities
For the Fiscal Year Ended September 30, 2021

	Governmental Activities
Expenses - Provider Services	
Provider services	\$ 139,769,834
General administration:	
Personnel services	8,802,022
Materials and services	1,037,039
Interlocal agreement, property appraiser and tax collector fees	5,015,795
Total Expenses - Provider Services	154,624,690
General Revenues:	
Ad valorem taxes	140,156,043
Investment earnings	256,447
Interlocal agreement	2,369,104
Miscellaneous	248,780
Total General Revenues	143,030,374
Change in Net Position	(11,594,316)
Net Position - Beginning of Year	40,168,482
Net Position - End of Year	\$ 28,574,166

See accompanying notes to the basic financial statements

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

	<u>General Fund</u>
Assets	
Cash	\$ 28,544,267
Investments	30,808,070
Receivables:	
Property taxes	425,926
Other	8,085
Prepaid items	<u>40,656</u>
Total Assets	<u><u>\$ 59,827,004</u></u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 24,104,272
Accrued expenditures payable	252,059
Intergovernmental payable	<u>86,211</u>
Total Liabilities	<u>24,442,542</u>
Fund Balance	
Nonspendable	40,656
Restricted	<u>35,343,806</u>
Total Fund Balance	<u>35,384,462</u>
Total Liabilities and Fund Balance	<u><u>\$ 59,827,004</u></u>

See accompanying notes to the basic financial statements

The Children's Trust
Reconciliation of the Balance Sheet of the Governmental Fund
to the Government-wide Statement of Net Position
September 30, 2021

Total Governmental Fund Balance	\$	35,384,462
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental fund.

Cost of capital assets	\$	886,737	
Less accumulated depreciation		<u>(689,208)</u>	197,529

Deferred outflows for pensions reported on the government-wide statement of net position but not reported on the balance sheet - governmental fund.		1,881,741
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Deferred inflows for pensions reported on the government-wide statement of net position but not reported on the balance sheet - governmental fund.		(4,375,262)
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Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheet but are reported on the government-wide statement of net position.

Total OPEB liability	(89,512)	
Net pension liability	(3,473,568)	
Compensated absences	<u>(951,224)</u>	<u>(4,514,304)</u>

Net Position of Governmental Activities	\$	<u>28,574,166</u>
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See accompanying notes to the basic financial statements

The Children's Trust
Statement of Revenues, Expenditures and
Changes in Fund Balance - Governmental Fund
For the Fiscal Year Ended September 30, 2021

		General Fund
Revenues		
Ad valorem taxes		\$ 140,156,043
Investment earnings		256,447
Interlocal agreement		2,369,104
Miscellaneous		248,780
		<hr/>
Total Revenues		143,030,374
		<hr/>
Expenditures		
Personnel:		
Salaries	\$ 6,725,811	
Benefits	2,451,142	9,176,953
		<hr/>
Provider services		139,769,834
Operating:		
Professional services	67,616	
Accounting/auditing/legal	268,294	
Other contractual services	7,897	
Travel, per diem and conferences	1,736	
Communications and freight services	57,588	
Rental and leases	401,780	
Insurance	77,994	
Postage and courier	8,534	
Printing and binding	10,994	
Office	7,611	
Operating	40,610	
Dues and fees	17,635	968,289
		<hr/>
Capital outlay		-
Non-operating allocations: Interlocal agreement, property appraiser and tax collector fees		5,015,795
		<hr/>
Total Expenditures		154,930,871
		<hr/>
Net Change in Fund Balance		(11,900,497)
Fund Balance - Beginning of Year		47,284,959
		<hr/>
Fund Balance - End of Year		\$ 35,384,462
		<hr/> <hr/>

See accompanying notes to the basic financial statements

The Children's Trust
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance of the Governmental Fund to the Government-wide Statement of Activities
For the Fiscal Year Ended September 30, 2021

Net Changes in Fund Balance - Governmental Fund	\$ (11,900,497)
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Amounts reported for governmental activities in the statement of activities are different because:

The Governmental fund reports capital outlays as expenditures on the governmental fund type operating statement. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period. The details are as follows:

Capital outlay	\$ -	
Depreciation expense	(68,750)	(68,750)

The difference between pension contributions reported on the government-wide statement of activities and the governmental fund statement of revenues, expenditures and changes in fund balance.	473,973
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Some expenses reported in the statement of activities do not require current financial resources and, therefore, are not reported as expenditures in the governmental fund. The details are as follows:

The decrease in total other post employment benefits (OPEB) liability is reported on the government-wide statement of activities but not in the governmental fund's operating statement.

Liability at 9/30/2021	(89,512)	
Liability at 9/30/2020	74,142	(15,370)

Compensated absences payable reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.

Liability at 9/30/2021	(951,224)	
Liability at 9/30/2020	867,552	(83,672)

Change in Net Position of Governmental Activities	\$ (11,594,316)
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See accompanying notes to the basic financial statements

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

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The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

The Children's Trust

The Children's Trust (The Trust) is a special independent taxing district established pursuant to Section 1.01(A) (11) of the Miami-Dade County (the County) Home Rule Charter, Ordinance #02-247 of Miami-Dade County, Florida and Section 125.901 of the Florida Statutes.

Note 1 - Summary of Significant Accounting Policies

The financial statements of The Trust have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of The Trust's accounting policies are described below.

1-A. Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of The Trust consists of all funds, departments, boards and agencies that are not legally separate from The Trust. For The Trust, this entity is limited to the legal entity, The Children's Trust. The Trust is controlled by a governing board consisting of thirty-three (33) members. The thirty-three (33) member board is comprised of seven individuals recommended by the Miami-Dade Board of County Commissioners and appointed by the Governor, twenty-two (22) members appointed by virtue of the office or position they hold within the community and four members-at-large appointed by a majority of the sitting members of The Trust. Members appointed by the Governor serve four-year terms. The youth representative member and the State of Florida legislative delegate member serve a one-year term. Members appointed by reason of their position are not subject to length of terms. All at-large members serve two-year terms.

Component units are legally separate entities for which the government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause The Trust's financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on The Trust or have operational responsibility. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity financial statements to be misleading or incomplete.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

The financial statements include all operations over which The Trust is financially accountable. While The Trust provides funding to various agencies, each agency is financially independent. The Trust has no authority to appoint or hire management of the agencies nor does it have responsibility for routine operations of the agencies. Based upon the criterion above, the reporting entity is limited to the legal entity, The Trust.

1-B. Basis of Presentation

The Trust's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of The Trust's finances. These statements include the statement of net position and the statement of activities, and report financial information for The Trust as a whole.

The statement of net position presents the financial position of the governmental activities of The Trust. The statement of activities presents a comparison between direct expenses and program revenues for each function of The Trust's governmental activities. Direct expenses are those that are specifically associated with a function and therefore are clearly identifiable to that function. The Trust reports all expenses under a single function: Provider Services.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of The Trust's services; (2) operating grants and contributions that are used to finance annual operating activities including restricted investment income; and (3) capital grants and contributions that are used to fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions and must be used to fund related programs. To identify the appropriate function related to program revenue, the determining factor is which function generates the revenue; whereas, to identify the appropriate function for grants and contributions, the determining factor is for which function the revenues are restricted. Taxes and other revenue sources included with program revenues are reported as general revenues of The Trust.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements - The Trust segregates transactions related to certain Trust functions or activities into separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of The Trust at this more detailed level. Fund financial statements are provided for the governmental fund.

Fund Accounting - The Trust uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Trust uses the governmental fund category.

Governmental Funds - Governmental funds are those through which most governmental functions are typically financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to various governmental funds according to the purposes for which they may, or must, be used. Fund liabilities are assigned to the fund from which they will be liquidated. The Trust reports the difference between governmental fund assets and liabilities as fund balance. The following is The Trust's major and only governmental fund:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to The Trust for any purpose provided it is expended or transferred according to the general laws of Florida.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, all liabilities, and deferred inflows/outflows associated with the operation of The Trust are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - The governmental fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balance – governmental fund reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation of the government-wide statements to the governmental fund statements, with brief explanations, to better identify the relationship between the measurement focus of each statement.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental fund uses the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives items or services of essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For The Trust, the phrase available for exchange transactions means expected to be received prior to the next fiscal year end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which The Trust receives value without directly giving equal value in return and includes primarily property taxes and grants. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which The Trust must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to The Trust on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions (property taxes) also must be measurable and available (i.e., collected within 60 days subsequent to year end) before it can be recognized. Revenues pertaining to interlocal agreements are recognized as soon as eligibility requirements posed by the agreement have been met.

Under the modified accrual basis, the following revenue sources are considered to be predisposed to accrual: property taxes, federal and state grants, and interlocal agreements.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On both the government fund financial statements and the government-wide financial statements, revenues are recognized when all eligibility requirements are met and are considered unearned as it relates to cash advances.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

1-E-1. Cash and Investments

Cash - Cash is considered to be cash on hand.

Investments – Section 218.415(17), Florida Statutes, limits the types of investments that The Trust can invest in unless specifically authorized in The Trust's investment policy. The Trust's policy allows for the following investments:

- U.S. Treasury obligations;
- U.S. government agency and instrumentality obligations;
- Interest bearing certificates of deposit;
- Bankers' acceptances with an original maturity not exceeding 180 days, issued on domestic banks or branches of foreign banks domiciled in the U.S. and operating under U.S. banking law, whose senior long-term debt is rated, at the time of purchase, AA by Standard and Poor's, AA by Moody's, or AA by Fitch;
- Commercial paper, rated in the highest tier by a nationally recognized rating agency, issued on U.S. companies and denominated in U.S. currency with a maturity not exceeding 270 days from the date of purchase;
- Investment-grade obligations of state, provincial and local governments and public authorities;
- Repurchase agreements whose underlying purchased securities consist of the aforementioned instruments with a defined termination date of 180 days or less collateralized by U.S. Treasury notes, bonds or bills with a maturity not exceeding ten years;
- Money market mutual funds regulated by the Securities and Exchange Commission;
- Corporate bonds issued by U.S. companies and denominated in U.S. currency which are rated at least A1/P1 for short-term debt and/or AA-/Aa3; and
- Local government investment pools.

Investments are categorized according to the fair value hierarchy established by GASB Statement No. 72. As of September 30, 2021, there were no investments categorized according to the fair value hierarchy established by GASB Statement No. 72.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-2. Receivables

All provider, donation, grants, property tax and intergovernmental receivables are reported net of an allowance for uncollectible accounts, where applicable.

1-E-3. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2021 are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable, as this amount is not available for general appropriation.

1-E-4. Capital Assets

General capital assets are those assets specifically related to activities reported in the general fund. These assets generally result from expenditures in the general fund. The Trust reports these assets in the governmental activities column of the government-wide statement of net position, but does not report these assets in the governmental fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value (the price that would be paid to acquire an asset with an equivalent level service potential in an orderly market transaction at the acquisition date). The Trust maintains a capitalization threshold of \$5,000. Significant improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's useful life are expensed.

All reported capital assets, which includes tangible and intangible assets, are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Useful Lives
Furniture and equipment – Trust	10 Years
Furniture and equipment – provider	3 – 10 years
Computer hardware and software	3 years

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-5. Compensated Absences Payable

Vacation and other compensated absences benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

All compensated absence payables include salary-related payments, at current rates, where applicable.

The total compensated absence payable is reported on the government-wide financial statements. The governmental fund reports the compensated absence liability at the fund reporting level only "when due." The general fund is used to liquidate such amounts.

1-E-6. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds.

1-E-7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement section, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Trust currently reports deferred outflows related to pensions in the government-wide statements.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement section, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Trust currently reports deferred inflows related to pensions in the government-wide statements.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-8. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, the governmental fund reports fund classifications that comprise a hierarchy based primarily on the extent to which The Trust is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Fund balance is classified as follows:

- **Nonspendable** – Fund balance is reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balance is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by The Trust or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balance is reported as committed when they can only be used for specific purposes pursuant to constraints imposed by formal action of the Board through the approval of a resolution. Only the Board may modify or rescind the commitment.
- **Assigned** – Fund balance is reported as assigned when amounts are constrained by The Trust's intent to be used for specific purposes, but are neither restricted nor committed. Only the Board may assign fund balance.
- **Unassigned** - Fund balance is reported as unassigned as a residual amount when the balance does not meet any of the above criterion. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if any, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is The Trust's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is The Trust's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position - Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position classified as investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by The Trust or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

1-E-9. Estimates

The preparation of the financial statements in conformity with accounting policies generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-10. Implementation of New GASB Standards

In fiscal year 2020-2021, The Trust implemented the following GASB Statements:

Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The adoption of GASB No. 84 did not have an impact on The Trust's financial statements.

Statement No. 90, Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61. The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. These governments and funds should measure the majority equity interest at fair value. The adoption of GASB No. 90 did not have an impact on The Trust's financial statements.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Statement No. 98, The Annual Comprehensive Financial Report. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The adoption of GASB No. 98 did not have an impact on The Trust's financial statements other than the use of the new term and acronym.

(Continued on the subsequent page)

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 2 –Stewardship, Compliance and Accountability

2-A. Budgetary Information

The Trust adopts an annual operating budget for its general fund.

The budget is adopted on a basis consistent with accounting policies generally accepted in the United States of America. The legal level of control (the level at which expenditures may not legally exceed appropriations) for the adopted annual operating budget generally is the function level as defined in the adopted budget.

Only the Board may amend the budget; all budget appropriations lapse at year-end.

(Continued on the subsequent page)

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits - Florida statutes authorize the deposit of The Trust's funds in demand deposits or time deposits of financial institutions approved by the State Treasurer, defined as qualified public depositories (QPD). In the event of a bank failure, the remaining public depositories would be responsible for covering any losses. All deposits of The Trust are held in a QPD. As of September 30, 2021, the balances of The Trust's cash deposits and certificates of deposit were \$28,544,267 and \$30,000,986, respectively. The Trust's main operating account and certificates of deposit are interest bearing.

Custodial Credit Risk – Deposits – The custodial credit risk for deposits is the risk that, in the event of a bank failure, The Trust's deposits or the securities collateralizing these deposits may not be recovered. The Trust's deposits at year end are considered insured and collateralized for custodial credit risk purposes.

Investments - Investments include amounts placed with the State Board of Administration (SBA) which administers the Local Government Surplus Funds Trust Fund ("Florida PRIME") that is an investment pool created by Section 218.405, Florida Statutes. The Florida PRIME investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

Florida PRIME is a state pool managed by the SBA, who provides regulatory oversight. In order to accommodate pool participants with readily available cash, a substantial portion of the portfolio is placed in short-term securities.

Florida PRIME is governed by the rules of Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME. Additionally, the Office of the Auditor General performs the operational audit of the activities and investment of the SBA.

According to the SBA, the pool follows GASB No. 31, Accounting and Financial Reporting for Certain Investment and for External Investment Pools, and GASB No. 79, Certain External Investment Pools and Pool Participants, where The Trust owns a share of the respective pool, not the underlying securities. Accordingly, The Trust's investment in the Florida PRIME is stated at amortized cost. Florida PRIME is exempt from the GASB No. 72 fair value hierarchy disclosures. Additionally, the investment in the Florida PRIME is not insured by FDIC or any other governmental agency.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Investment Pools and Pool Participants – In accordance with GASB No. 79, as The Trust has its investment in Florida PRIME, which is a qualifying external investment pool that measures for financial reporting purposes all of its investment at amortized cost, The Trust is to disclose the presence of any limitation or restriction on withdrawals. In compliance with this Statement, with regard to redemption dates, Chapter 218.409(8)(a), Florida Statutes, states "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2021, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Methods Used to Value Investments – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Net appreciation (depreciation) in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of specific and average cost. Purchases and sales of investments are recorded on a trade date basis.

Fair Value Hierarchy – GASB No. 72, Fair Value Measurement and Application, states that investments that meet specific criteria should be measured and reported at fair value and classified according to the following hierarchy:

Level 1 – Investments reflect unadjusted quoted prices in active markets and identical assets.

Level 2 – Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Level 3 – Investments reflect prices based upon unobservable inputs for an asset.

The Trust's investments include certificates of deposit and money market account deposits which are held in a qualified public depository. The Trust investments also include Florida PRIME which is reported at amortized cost. Accordingly, these investment types are not included in the fair value hierarchy. As of September 30, 2021, The Trust does not maintain any investments subject to fair value measurement.

Investments, stated at their reported value, consist of the following at September 30, 2021:

Investment type	Amount
Certificates of deposit	\$ 30,000,986
Money market account	579,427
State Board of Administration:	
Florida Prime	227,657
Total	<u>\$ 30,808,070</u>

State Board of Administration Florida PRIME - Investments at September 30, 2021, were in the Florida PRIME with weighted average days to maturity (WAM) of 49 days. The Trust's investment in the Florida PRIME investment pool is rated AAAm by Standard and Poor's.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment.

The Trust has an investment policy of structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations and investing operating funds primarily in short-term securities, money market funds, or similar investment pools unless it is anticipated that long-term securities can be held to maturity without jeopardizing investments to no more than five years, thereby avoiding the need to sell securities on the open market prior to maturity. See WAM above for Florida PRIME.

Credit Quality Risk – Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Trust's investment policy limits investments to those which carry the highest ratings issued by a Nationally Recognized Statistical Rating Organization (NRSRO) as well as investing in interest bearing certificates of deposits and other deposit accounts in banking financial institutions that are insured under the Federal Deposit Insurance Act (FDIC) and are collateralized with collateral that has a market value equal to or exceeding 102% of the difference between the insured amount and The Trust's total deposit for all funds within the institution. Florida Prime is rated AAAm by Standard and Poors (S&P) and is the highest rating assigned by S&P. The banking financial institutions that The Trust uses for its investments are rated A and above by S&P as the banking institutions capacity to meet its financial commitments on the obligation ranges from strong to very strong.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of The Trust's investment in a single issuer. The Trust's investment policy states that assets shall be diversified to control the risk of loss resulting from concentration of assets to a specific maturity, instrument, issuer, dealer, or bank through which these securities are bought and sold. At September 30, 2021, The Trust invested in certificates of deposit, a money market account and in the State Board of Administration.

3-B. Receivables

Receivables at September 30, 2021, included property taxes and other receivables. Receivables are recorded on The Trust's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

3-C. Property Taxes

Property taxes consist of ad valorem taxes on real and personal property within Miami-Dade County. Property values are determined by the Miami-Dade County property appraiser, and property taxes are collected by the Miami-Dade County tax collector. The Trust is permitted, by Ordinance #02-247 of Miami-Dade County, to levy taxes up to 0.5 mills per \$1,000 of assessed valuation. Property taxes are levied each November 1 on the assessed value listed as of January 1 of the same year for real and personal property located within Miami-Dade County. The Trust adopted the tax levy for fiscal year 2020-2021 on September 21, 2020. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to four percent for early payment.

Taxes become delinquent on April 1st of the year following the year of assessment. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes and for enforcement of collection of real property taxes by the sale of interest-bearing tax certificates to satisfy unpaid taxes.

The adjusted assessed value at July 1, 2020 upon which the fiscal year 2020-2021 levy was based was approximately \$326 billion. The Trust levied .4507 mills, which resulted in tax revenue of \$140,156,043 on the 2020 tax roll for fiscal year 2020-2021.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for the fiscal year ended September 30, 2021 for governmental activities was as follows:

Asset Class	Balance 10/1/2020	Additions	Deletions	Balance 9/30/2021
Governmental activities:				
Depreciable capital assets:				
Computers	\$ 443,217	\$ -	\$ -	\$ 443,217
Furniture and equipment	446,375	-	2,855	443,520
Total depreciable capital assets	889,592	-	2,855	886,737
Accumulated depreciation:				
Computers	397,417	25,433	-	422,850
Furniture and equipment	225,896	43,317	2,855	266,358
Total accumulated depreciation	623,313	68,750	2,855	689,208
Governmental activities capital assets, net	\$ 266,279	\$ (68,750)	\$ -	\$ 197,529

Governmental activities depreciation expense for the fiscal year ended September 30, 2021 amounted to \$68,750 and was charged to provider services and materials and services for \$31,389 and \$37,361, respectively.

3-E. Unearned Revenue

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and fund financial statements. There was no unearned revenue at September 30, 2021.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Long-term Liability Obligations

Changes in Long-term Debt - Changes in The Trust's long-term debt consisted of the following for the fiscal year ended September 30, 2021:

	Outstanding 10/1/2020	Additions	Reductions	Outstanding 9/30/2021	Amounts Due in One Year
Governmental Activities:					
Compensated absences payable	\$ 867,552	\$ 249,164	\$ 165,492	\$ 951,224	\$ 95,122

All long-term debt is retired from the general fund.

3-G. Operating Lease

On October 25, 2021, The Trust executed a second amendment to its operating lease agreement for office space. This second amendment modified certain terms of the original lease agreement and the first amendment, providing for the extension of the lease term, with the new lease term expiring on November 21, 2030, removal of the annual renewal election by The Trust, and a reduction to the annual increase in rent calculations.

The first year of the second amendment to the lease provides for a 0% increase in rent; the second to fourth term provides for a 0.5% increase in the base rent from the prior year; the fifth to seventh term provides for a 1.5% increase in the base rent from the prior year; and the eighth and ninth term may be negotiated upward or downward based on occupancy costs not to exceed 3% yearly.

Expenditures for the operating lease totaled \$396,494 for the fiscal year ended September 30, 2021.

Future minimum lease payments for the lease are:

September 30,	Payment
2022	\$ 396,494
2023	398,311
2024	400,303
2025	402,304
2026	408,005
Thereafter	1,775,545
Total	<u>\$ 3,780,962</u>

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Retirement Plan

General Information

The Trust provides retirement benefits to its employees through the Florida Retirement System (FRS), as well as Other Post Employment Benefits (OPEB) in the form of subsidized health insurance premiums. FRS is a cost-sharing, multiple-employer public-employee retirement system with two primary plans. The Florida Department of Management Services, Division of Retirement administers the FRS Pension Plan. The State Board of Administration of Florida (SBA) manages the assets of the FRS. The primary investment objectives for the FRS Pension Plan are to provide investment returns sufficient to ensure the timely payment of benefits and to keep plan costs at a reasonable level.

All eligible employees of The Trust are covered by the State-administered Florida Retirement System. As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including a defined benefit pension plan i.e. the FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy (HIS Plan). Retirees of the Pension Plan receive a lifetime pension benefit with joint and survivor payment options. The HIS Plan, a cost-sharing multiple-employer defined benefit pension plan, assists certain retired members and their beneficiaries of any Florida state-administered retirement system in paying the costs of health insurance. Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan, referred to as the Investment Plan (Investment Plan), alternative to the FRS Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all eligible employees working in a regularly established position in a state agency, county agency, district school board, state university, or state college. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, although optional, is generally irrevocable after election to participate is made. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to eligible plan members and beneficiaries. Benefits are established by Florida Statutes. Amendments to the law can be made only by an act of the Florida State Legislature.

The annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website www.dms.myflorida.com/workforce_operations/retirement/publications.

FRS Pension Plan

Plan Description: The FRS Pension Plan (Pension Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. Retirees receive a lifetime pension benefit with joint and survivor payment options. The general classes of membership that The Trust participates in are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Other general classes of membership are the Special Risk Administrative Support class, Special Risk class, and Elected Officers' class.

Plan Benefits: Benefits under the Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. Benefits of the Plan vest at six years of creditable service provided that Pension Plan member enrolled in the FRS prior to July 1, 2011; otherwise benefits in the Pension Plan vest at eight years of creditable service. All Regular class and Senior Management Service class vested members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, provided that Plan members enrolled in FRS prior to July 1, 2011; otherwise all Regular class and Senior Management Service class vested members are eligible for normal retirement at age 65 or at any age after 33 years of service, which may include up to four years of credit for military service. The Pension Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Pension Plan provides retirement, disability and death benefits and annual cost-of-living adjustments to eligible participants.

For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age before age 62 are entitled to a retirement benefit payable monthly, ranging from 1.6% to 1.68%, dependent upon their age or years of service, of their final average compensation based on the five highest years' earnings, for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly, equal to 2.0% of their final average compensation based on the five highest fiscal years' earnings for each year of credited service.

For Pension Plan members enrolled on or after July 1, 2011, Regular class members who retire at or after age 65 with at least eight years of credited service or 33 years of service regardless of age before age 65 are entitled to a retirement benefit payable monthly, ranging from 1.6% to 1.68%, dependent upon their age or years of service, of their final average compensation based on the five highest years' earnings, for each year of credited service. For Senior Management Service class members who retire at or after age 65 with at least eight years of credited service or 33 years of service regardless of age are entitled to a retirement benefit payable monthly equal to 2.0% of their final average compensation based on the eight highest fiscal years' earnings for each year of credited service.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The following chart shows the percentage value for each year of service credit earned in relation to the general classes of membership that The Trust participates in:

	% Value (per year of service)
<u>Regular Class members initially enrolled before July 1, 2011</u>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<u>Regular Class members initially enrolled on or after July 1, 2011</u>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<u>Senior Management Service Class</u>	2.00

Benefits received by eligible retirees and beneficiaries under the FRS Pension Plan are increased by the cost-of-living adjustment. The cost-of-living adjustment (COLA) for retirements or DROP participation effective before August 1, 2011 is three percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011 will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by three percent. Each Pension Plan member with an effective retirement date of August 1, 2011, or after will have an individually calculated COLA for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

The FRS includes a Deferred Retirement Option Program (DROP) and permits employees eligible for normal retirement under the Pension Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly retirement benefits accumulate in the FRS Trust Fund increased by a cost-of-living adjustment and accrue interest. The net pension liability does not include amounts for DROP participants as these members are considered retired and are not accruing additional pension benefits.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The DROP is available under the Pension Plan when the member first reaches eligibility for normal retirement. The election to participate in the DROP must be made within twelve months of the member's normal retirement date, unless the member is eligible to defer the election. Eligible FRS members may elect to participate in the FRS Investment Plan in lieu of the defined-benefit Plan. FRS members participating in DROP are not eligible to participate in the FRS Investment Plan. This plan is funded by employer contributions that are based on salary and membership class and by employee contributions. Contributions are directed to individual member accounts and the ultimate benefit depends in part on the performance of the investment funds chosen. Employees in the FRS Investment Plan vest after one year of service.

Contributions: The contribution rates for the FRS members are established by law and may be amended by the State of Florida. Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, employers of the FRS are required to make contributions to the FRS, covering the Pension Plan, the Investment Plan and DROP, based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates for the Regular class, Senior Management Service class, and DROP, applicable to the last three fiscal years, were as follows:

Employer Contribution Rates	Regular class	Senior Management Service Class	DROP - Regular Class and Senior Management Service Class
Effective 7/1/19	8.47%	25.41%	14.60%
Effective 7/1/20	10.00%	27.29%	16.98%
Effective 7/1/21	10.82%	29.01%	18.34%

Employer contribution rates include the postemployment health insurance subsidy (HIS). The employer contribution rates reflected above include 1.66% for the HIS Plan, effective July 1, 2019, July 1, 2020, and July 1, 2021 as well as the fee of 0.06%, for all three years for administration of the FRS Investment Plan and provision of educational tools for both the Pension and the Investment Plan effective July 1, 2019, July 1, 2020, and July 1, 2021, respectively.

The Trust's contributions, for FRS and HIS, inclusive of the Investment Plan, totaled \$852,894 and employee contributions, totaled \$195,807 for the fiscal year ended September 30, 2021.

Social Security Coverage: The Division of Retirement is responsible for administering the Social Security coverage for public employers in Florida. Public employees are provided Social Security coverage through a federal-state agreement with various modifications applicable to specific employers in political subdivisions. Public employers must provide Social Security coverage for their employees who participate in the FRS Pension Plan and Investment Plan.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2021, The Trust reported a liability for its proportionate share of the net pension liability of \$1,161,354. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of July 1, 2021. The Trust's proportion of the net pension liability was based upon The Trust's 2020-2021 fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2021, The Trust's proportionate share for FRS was .015374300%, which was a decrease from its proportionate share of .014407887% measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, The Trust recognized pension expense of \$650,230 for FRS. Additionally, The Trust reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 199,058	\$ -
Changes in assumptions	794,656	-
Changes in proportion and differences between The Trust Pension Plan contributions and proportionate share of contributions	306,352	110,856
Net difference between projected and actual earnings on Pension Plan investments	-	4,051,671
Contributions made subsequent to the measurement date	175,487	-
Total	<u>\$ 1,475,553</u>	<u>\$ 4,162,527</u>

The Trust contributions subsequent to the measurement date of \$175,487 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2022.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Deferred Outflows/ (Inflows), net
2022	\$ (478,727)
2023	(596,919)
2024	(804,561)
2025	(1,025,953)
2026	43,699
Total	<u>\$ (2,862,461)</u>

Actuarial assumptions: The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Valuation date	July 1, 2021
Measurement date	June 30, 2021
Inflation	2.40%
Salary increases	3.25%, average, including inflation
Actuarial cost method	Individual entry age
Mortality	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018

The actuarial assumptions that determined the total pension liability as of June 30, 2021 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The long-term expected rate of return assumptions on Pension Plan investments was not based on historical returns, but instead are based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
Total	100.0%			

Assumed Inflation - Mean 2.4% 1.2%

(1) As outlined in the FRS Pension Plan's investment policy available from Funds We Manage on the SBA's website at www.sbafla.com.

Discount Rate: The discount rate used to measure the total pension liability was 6.80%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents The Trust's proportionate share of the total net pension liability calculated using the discount rate of 6.80%, as well as what The Trust's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.8%) or one percentage point higher (7.8%) than the current rate:

	1% Decrease or 5.80%	Current Discount Rate 6.80%	1% Increase or 7.80%
The Trust's proportionate share of the net pension liability (asset)	\$ 5,193,651	\$ 1,161,354	\$ (2,209,195)

Pension Plan Fiduciary Net Position: Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Retiree Health Insurance Subsidy (HIS) Program

Plan Description: The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing, multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist eligible retirees and surviving beneficiaries of the State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services, Division of Retirement.

Benefits Provided: Eligible retirees and beneficiaries receive a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. The HIS contribution rates were 1.66% for the HIS Plan, effective July 1, 2019, July 1, 2020 and July 1, 2021. Employees do not contribute to this plan. The Trust contributed 100% of its statutorily required contributions for the current and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. The HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2021, The Trust reported a liability for its proportionate share of the net pension liability of \$2,312,214. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of July 1, 2020. The Trust's proportion of the net pension liability was based upon The Trust's 2020-2021 fiscal year contributions relative to the 2019-2020 fiscal year contributions of all participating members. At June 30, 2021, The Trust's proportion for HIS was .018849818%, which was an increase from its proportion measured of .018532665%, as of June 30, 2020.

For the fiscal year ended September 30, 2021, The Trust recognized pension expense of \$111,699 for HIS. The Trust reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 77,373	\$ 968
Changes in assumptions	181,688	95,269
Changes in proportion and differences between The Trust HIS contributions and proportionate share of contributions	115,030	116,498
Net difference between projected and actual earnings on HIS plan investments	2,410	-
Contributions made subsequent to the measurement date	29,687	-
Total	<u>\$ 406,188</u>	<u>\$ 212,735</u>

The Trust contributions subsequent to the measurement date of \$29,687 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2022.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Deferred Outflows/ (Inflows), net
2022	\$ 51,320
2023	13,002
2024	10,016
2025	44,617
2026	36,668
Thereafter	8,143
Total	<u>\$ 163,766</u>

Actuarial assumptions: The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2020
Measurement date	June 30, 2021
Discount rate	2.16%
Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.16%
Actuarial cost method	Individual entry age
Mortality	Generational PUB-2010 with Projection Scale MP-2018

Actuarial valuations for the HIS Program are conducted biennially. The July 1, 2020, HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for June 30, 2021. The actuarial assumptions that determined the total pension liability as of June 30, 2021 were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents The Trust's proportionate share of the total net pension liability calculated using the discount rate of 2.16%, as well as what The Trust's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate:

	1% Decrease or 1.16%	Current Discount Rate 2.16%	1% Increase or 3.16%
The Trust's proportionate share of the net pension liability	\$ 2,673,143	\$ 2,312,214	\$ 2,016,513

Pension Plan Fiduciary Net Position: Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Investment Plan

The SBA administers the defined contribution plan i.e. the Investment Plan. The investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. The Trust employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment options offered under the plan. Costs of administering the Investment Plan are funded through an employer contribution of 0.06%, effective July 1, 2019, July 1, 2020 and July 1, 2021, of payroll and by forfeited benefits of plan members.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Allocations to the investment member's accounts during the 2020-2021 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows:

Membership Class	Percent of Gross Compensation
Regular	6.30%
Senior Management Service	7.67%
Special Risk Administrative Support	7.95%
Special Risk	14.00%
Elected Officers	
Judges	13.23%
Legislators, Governor, Lt. Gov., Cabinet	9.38%
State Attorney, Public Defender	9.38%
County, City, Sp. Dist. Elected Officers	11.34%

The Trust's Investment Plan pension expense totaled \$90,965 for the fiscal year ended September 30, 2021.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to The Trust.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, or leave the funds invested for future distribution. Disability coverage is provided; the employer pays an employer contribution to fund the disability benefit which is deposited in the FRS Trust Fund. The member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income. Retirees of the Investment Plan are eligible to be enrolled as a renewed member if employed in a regularly established position on or after July 1, 2017.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-1. Deferred Inflows/Outflows of Resources

Government-wide Financial Reporting Level: The Trust has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the State of Florida's actuary that adjusts the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense. Additionally, any contributions made by The Trust to the Pension Plan before fiscal year end but subsequent to the measurement date of The Trust's net pension liability are reported as deferred outflows of resources.

For the year ended September 30, 2021, The Trust recognized pension expense of \$852,894 as a result of GASB Statement No. 68. Deferred outflows and inflows of resources related to pensions are as follows:

	FRS Pension	HIS Pension	Investment	Total
Deferred outflows	\$ 1,475,553	\$ 406,188	\$ -	\$ 1,881,741
Deferred inflows	4,162,527	212,735	-	4,375,262
Net pension liability	1,161,354	2,312,214	-	3,473,568
Pension expense	650,230	111,699	90,965	852,894
Total	\$ 7,449,664	\$ 3,042,836	\$ 90,965	\$ 10,583,465

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-J. Post-Employment Benefits Other Than Pensions (OPEB)

General Information About the OPEB Plan

Plan description - The Children's Trust provides health insurance benefits to its retired employees through a single-employer plan administered by The Trust. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from The Trust and eligible dependents may continue to participate in The Trust's full-insured benefit plan for medical and prescription drug insurance coverage. The Trust subsidizes the premium rates paid by retirees by allowing them to participate in the plan at the blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under this defined benefit plan are provided until the retiree's attainment of age 65 or until such time at which the retiree discontinues coverage under The Trust sponsored plans, if earlier. The plan is not accounted for as a trust fund and an irrevocable trust has not been established to fund this plan. The plan does not issue a separate financial report. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Funding Policy - Currently, The Trust's OPEB are unfunded. The Trust is funding the plan on a "pay-as-you-go" basis. Employees and their dependents are required to pay 100% of the insurance premiums charged by the carrier. There is an implied subsidy in the insurance premiums for these employees because the premium charged for retirees is the same as the premium charged for active employees, who are younger than retirees on average.

Plan Employees Covered by Benefit Terms - As of September 30, 2019, the valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	0
Active Employees	<u>79</u>
Total	<u>79</u>

Benefits Provided - Employees who retire from The Trust and their dependents are eligible to continue to participate in The Trust's insurance through The Trust's "blended" group rate. The benefits provided to retirees are the same as those provided to active employees. The retiree must continue to meet all participation requirements and pay all applicable premiums by the specified due date. The Trust provides no funding for any portion of the premiums after retirement.

Total OPEB Liability

The Trust's total OPEB liability of \$89,512 was measured as of September 30, 2020 and was determined by an actuarial valuation as of September 30, 2019.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial assumptions and other inputs – The total OPEB liability in the September 30, 2019 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	September 30, 2020
Actuarial Cost Method	Entry Age Normal
Retirement Age	Varies based on several factors including plan-specific retirement eligibility provisions and experience
Mortality	RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA
Actuarial Assumptions:	
Discount Rate	2.41%
Salary Increases	5.00%
Inflation	2.25%
Healthcare Cost Trend Rates	6.5% for fiscal year beginning 2020, 6.25% for fiscal year beginning 2021 and then gradually decreasing to an ultimate trend rate of 4.0%

As the Plan does not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this alternative measurement method (AMM) roll-forward calculation, the municipal bond rate is 2.41% (based on the daily rate of Fidelity's "20-Year Municipal GO AA Index" closest to but not later than the measurement date). The discount rate was 2.75% as of the previous measurement date.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Changes in the Total OPEB Liability

Measurement Year Ended September 30,	2020
Total OPEB Liability	
Service Cost	\$ 10,956
Interest on the Total OPEB Liability	2,340
Changes of benefit terms	-
Difference between expected and actual experience of the Total OPEB Liability	-
Changes in assumptions and other inputs	2,074
Benefit payments	-
Net change in Total OPEB Liability	15,370
Total OPEB Liability - Beginning	74,142
Total OPEB Liability - Ending	<u>\$ 89,512</u>

Sensitivity of the Total OPEB Liability

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents The Trust's total OPEB liability, calculated using the discount rate of 2.41% as well as what The Trust's total OPEB liability would be if it were calculated using a discount rate that is one percent lower (1.41%) or one percent higher (3.41%) than the discount rate:

	1% Decrease or 1.41%	Current Discount Rate Assumption 2.41%	1% Increase or 3.41%
Total OPEB Liability	\$ 94,962	\$ 89,512	\$ 83,207

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of The Trust, calculated using the assumed trend rate of 6.25% as well as what The Trust's total OPEB liability would be if it were calculated using a trend rate that is one percent lower (5.25%) or one percent higher (7.25%) than the healthcare cost trend rate:

	1% Decrease or 5.25%	Current Healthcare Cost Trend Rate Assumption 6.25%	1% Increase or 7.25%
Total OPEB Liability	\$ 77,120	\$ 89,512	\$ 104,169

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the fiscal year ended September 30, 2021, The Trust recognized OPEB expense of \$15,370. The Trust did not have any deferred outflows of resources or deferred inflows of resources related to OPEB at September 30, 2021.

Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each Alternative Measurement Method (AMM) calculation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As authorized by GASB No. 75, the Alternative Measurement Method allows the employer to use simplifications of certain assumptions in measuring the costs and liabilities.

3-K. Deferred Compensation Plan

The Trust offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all Trust employees, allows Trust employees to defer a portion of their salary to future years. The Trust's direct involvement in the Plan is limited to remitting the amounts withheld from employees to the Plan's third-party administrator. Accordingly, the assets and liabilities of the Plan are not included in The Trust's financial statements.

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

3-L. Fund Equity

Fund Balance – Fund balance is classified as follows as of September 30, 2021:

- **Nonspendable** – The following fund balance is nonspendable because it is not in spendable form:

General Fund:

Prepaid items	<u>\$ 40,656</u>
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- **Restricted** – The following fund balance is legally restricted to the specified purpose:

General Fund:

Provider services - contracts	<u>\$ 35,343,806</u>
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Investment in Capital Assets

The "investment in capital assets" amount as reported on the government-wide statement of net position as of September 30, 2021 is as follows:

	Governmental Activities
Investment in capital assets:	
Cost of capital assets	\$ 886,737
Less accumulated depreciation	<u>689,208</u>
Investment in capital assets	<u>\$ 197,529</u>

(Continued on the subsequent page)

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 4 - Other Notes

4-A. Risk Management

The Trust is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Trust purchases commercial insurance coverage to mitigate the various risks. Retention of risks is limited to the excess of those that are insured and those that are uninsurable, with deductibles ranging from \$0 to \$50,000 per occurrence, except for windstorm, whereby the deductible is 10% of the value of the insured contents. There were no settled claims which exceeded insurance coverage since inception of The Trust.

The Trust is required by Florida Statute to provide a surety bond in the sum of at least \$1,000 for each \$1 million portion thereof of The Trust's budget for the Chair, Vice Chair, Treasurer and President/CEO. This surety bond is included in the insurance coverage purchased through commercial carriers.

4-B. Commitments

Contract Commitments - As of September 30, 2021, The Trust had the following contract commitments:

Youth Development	\$ 45,774,545
Early Childhood Development	30,833,886
Parenting	19,817,494
Health and Wellness	15,018,872
Supports for Quality Program Implementation	2,790,140
Family and Neighborhood Supports	2,355,085
Public Awareness and Program Promotion	1,840,000
Information Technology	692,471
Cross-funder Collaboration of Goals, Strategies and Resources	492,529
Program Evaluation and Community Research	150,000
Other	28,500
Total	<u><u>\$ 119,793,522</u></u>

The Children's Trust
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2021

Note 4 - Other Notes (Continued)

4-C. Interlocal Agreement

The Trust has an interlocal agreement with the City of Miami, the Southeast Overtown/Park West Community Redevelopment Agency, the Omni Redevelopment District Community Redevelopment Agency and Miami-Dade County (collectively the CRAs) for the purpose of establishing the use of tax revenues to be derived from the imposition of a half mill tax levy by The Trust.

The CRAs may have various series of community redevelopment revenue bonds outstanding issued under certain bond resolutions to which the CRAs may have pledged all current and future tax increment revenues the CRAs are entitled to, including tax revenues from The Trust. The CRAs are to use The Trust revenues for debt service only after all other tax increment revenues have been exhausted and shall remit to The Trust on the last day of the CRA's fiscal year all of The Trust revenues that are not needed for debt service. In exchange for the City of Miami and the CRAs' cooperation, The Trust will make funds available for children's programs within the CRAs area in the amount of The Trust revenues.

The Trust revenues provided to the CRAs for the fiscal year ended September 30, 2021 were \$2,369,104.

4-D. Related Party Transactions

In the course of pursuing its mission, The Trust engages agencies in the community at large to provide services. The Trust's Board of Directors is comprised of a broad spectrum of members of the community, some of whom have extensive knowledge, background and experience with matters of importance to conducting The Trust's services. From time to time, matters come before the Board where a board member, or a relative, may have a personal or financial interest that could be considered to potentially cause a conflict of interest. When such a circumstance occurs, The Trust's procedures require that board member to abstain from voting on the matter and document the reason for the abstention. During the fiscal year ended September 30, 2021, a number of proposals came before the Board relating to organizations in which board members may have had a conflict of interest. In those circumstances, the board members who had identified the potential conflicts abstained from voting.

During the year ended September 30, 2021, The Trust awarded a total of \$28.8 million to providers in which fifteen Board of Directors members are considered to have a personal, financial or employment interest.

Required Supplementary Information



The Children's Trust
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund
For the Fiscal Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues and Beginning Fund Balance				
Ad valorem tax revenue	\$ 139,822,634	\$ 139,822,634	\$ 140,156,043	\$ (333,409)
Interlocal agreement	2,000,000	2,000,000	2,369,104	(369,104)
Investment earnings/miscellaneous	700,000	700,000	505,227	194,773
Fund balance, October 1, 2020	50,649,434	50,649,434	47,284,959	3,364,475
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Beginning Fund Balance	<u>193,172,068</u>	<u>193,172,068</u>	<u>190,315,333</u>	<u>2,856,735</u>
Expenditures				
Provider Services	<u>157,544,548</u>	<u>158,232,548</u>	<u>139,769,834</u>	<u>18,462,714</u>
Operating Expenditures:				
General Administration:				
Salaries and fringe benefits	9,463,703	9,463,703	9,176,953	286,750
Professional/legal/ other contracted services	460,000	460,000	343,807	116,193
Rent/insurance	485,000	485,000	479,774	5,226
Travel/communications	220,000	220,000	59,324	160,676
Supplies/postage/printing	80,000	80,000	67,749	12,251
Promotional/dues/miscellaneous	45,000	45,000	17,635	27,365
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Administration	<u>10,753,703</u>	<u>10,753,703</u>	<u>10,145,242</u>	<u>608,461</u>
Capital:				
Computer software/hardware	10,000	10,000	-	10,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Operating Expenditures	<u>10,763,703</u>	<u>10,763,703</u>	<u>10,145,242</u>	<u>618,461</u>
Non-operating Expenditures:				
Interlocal agreement	2,000,000	2,000,000	2,369,104	(369,104)
Property appraiser/tax collector fees	2,600,000	2,600,000	2,646,691	(46,691)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-operating Expenditures	<u>4,600,000</u>	<u>4,600,000</u>	<u>5,015,795</u>	<u>(415,795)</u>
Total Expenditures	<u>172,908,251</u>	<u>173,596,251</u>	<u>154,930,871</u>	<u>18,665,380</u>
Fund Balance, September 30, 2021	<u>20,263,817</u>	<u>19,575,817</u>	<u>35,384,462</u>	<u>(15,808,645)</u>
Total Expenditures and Ending Fund Balance	<u>\$ 193,172,068</u>	<u>\$ 193,172,068</u>	<u>\$ 190,315,333</u>	<u>\$ 2,856,735</u>

See accompanying notes to required supplementary information

The Children's Trust
Notes to the Required Supplementary Information – Schedule of Revenues, Expenditures,
and Changes in Fund Balance – Budget and Actual – General Fund
For the Fiscal Year Ended September 30, 2021

Note 1 – Budgetary Information

The budget for the general fund is adopted on a basis that is consistent with accounting principles generally accepted in the United States as applied to governments.

Note 2 – Budgetary Variances

Actual revenues and expenditures pertaining to the interlocal agreement that The Trust has with the CRAs exceeded the budget by the same amount due to property values in the CRA districts were greater than anticipated. Consequently, there was no impact to the fund balance. 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 the related interlocal agreement 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 areas.

Tax collector fees are budgeted based on the expected levied ad valorem taxes. As the actual ad valorem tax revenue exceeded the budget, the related tax collector fees also exceeded the budget.

The Children's Trust
Required Supplementary Information
Schedule of The Children's Trust's Proportionate Share of the Net Pension Liability
Florida Retirement System Pension Plan
Last Ten Fiscal Years*

June 30th **	2021	2020	2019	2018	2017	2016	2015	2014
The Trust's proportion of the net pension liability	0.015374300%	0.014407887%	0.014660597%	0.014906226%	0.015534481%	0.014060833%	0.013228624%	0.012213546%
The Trust's proportionate share of the net pension liability	\$ 1,161,354	\$ 6,244,591	\$ 5,048,905	\$ 4,489,833	\$ 4,594,995	\$ 3,550,371	\$ 1,708,654	\$ 745,206
The Trust's covered payroll	\$ 6,651,391	\$ 6,443,213	\$ 6,366,350	\$ 5,956,845	\$ 6,151,426	\$ 6,138,167	\$ 5,418,169	\$ 5,195,579
The Trust's proportionate share of the net pension liability as a percentage of its covered payroll	17.46%	96.92%	79.31%	75.37%	74.70%	57.84%	31.54%	14.34%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	83.89%	83.89%	84.88%	92.00%	96.09%

*Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

** Measurement date.

The Children's Trust
Required Supplementary Information
Schedule of The Children's Trust's Contributions
Florida Retirement System Pension Plan
Last Ten Fiscal Years*

September 30th	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 650,230	\$ 515,760	\$ 377,670	\$ 445,104	\$ 403,300	\$ 392,593	\$ 433,456	\$ 399,475
Contributions in relation to the contractually required contribution	650,230	515,760	377,670	445,104	403,300	392,593	433,456	399,475
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,728,842	\$ 6,487,142	\$ 6,250,124	\$ 6,030,881	\$ 6,570,277	\$ 6,247,195	\$ 5,553,060	\$ 5,591,926
Contributions as a percentage of covered payroll	9.66%	7.95%	6.04%	7.38%	6.14%	6.28%	7.81%	7.14%

*Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

The Children's Trust
Required Supplementary Information
Schedule of The Children's Trust's Proportionate Share of the Net Pension Liability
Health Insurance Subsidy Pension Plan
Last Ten Fiscal Years*

June 30th **	2021	2020	2019	2018	2017	2016	2015	2014
The Trust's proportion of the HIS net pension liability	0.018849818%	0.018532665%	0.018520718%	0.018073048%	0.020640039%	0.019146054%	0.018357421%	0.018725739%
The Trust's proportionate share of the HIS net pension liability	\$ 2,312,214	\$ 2,262,808	\$ 2,072,283	\$ 1,912,872	\$ 2,206,928	\$ 2,231,393	\$ 1,872,168	\$ 1,750,902
The Trust's covered payroll	\$ 6,651,391	\$ 6,443,213	\$ 6,366,350	\$ 5,956,845	\$ 6,151,426	\$ 6,138,167	\$ 5,418,169	\$ 5,195,579
The Trust's proportionate share of the HIS net pension liability as a percentage of its covered payroll	34.76%	35.12%	32.55%	32.11%	35.88%	36.35%	34.55%	33.70%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

*Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

** Measurement date.

The Children's Trust
Required Supplementary Information
Schedule of The Children's Trust's Contributions
Health Insurance Subsidy Pension Plan
Last Ten Fiscal Years*

September 30th	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required HIS contribution	\$ 111,699	\$ 107,687	\$ 103,752	\$ 100,113	\$ 109,067	\$ 103,703	\$ 75,614	\$ 67,880
HIS contributions in relation to the contractually required HIS contributions	111,699	107,687	103,752	100,113	109,067	103,703	75,614	67,880
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 6,728,842</u>	<u>\$ 6,487,142</u>	<u>\$ 6,250,124</u>	<u>\$ 6,030,881</u>	<u>\$ 6,570,277</u>	<u>\$ 6,247,195</u>	<u>\$ 5,553,060</u>	<u>\$ 5,591,926</u>
Contributions as a percentage of covered payroll	<u>1.66%</u>	<u>1.66%</u>	<u>1.66%</u>	<u>1.66%</u>	<u>1.66%</u>	<u>1.66%</u>	<u>1.36%</u>	<u>1.22%</u>

*Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

The Children's Trust
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Ten Fiscal Years*

September 30th**	2020	2019	2018	2017
Total OPEB Liability				
Service Cost	\$ 10,956	\$ 15,188	\$ 15,242	\$ 15,448
Interest on the Total OPEB Liability	2,340	5,325	4,281	3,307
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience of the Total OPEB Liability	-	(51,099)	-	-
Changes in assumptions and other inputs	2,074	(19,115)	(2,740)	(2,923)
Benefit payments	-	-	-	-
Net change in Total OPEB Liability	15,370	(49,701)	16,783	15,832
Total OPEB Liability - Beginning	74,142	123,843	107,060	91,228
Total OPEB Liability - Ending	<u>\$ 89,512</u>	<u>\$ 74,142</u>	<u>\$ 123,843</u>	<u>\$ 107,060</u>
Covered-Employee Payroll	\$ 6,539,001	\$ 5,871,446	\$ 6,026,231	\$ 6,030,881
Total OPEB Liability as a percentage of Covered- Employee Payroll	1.37%	1.26%	2.06%	1.78%

Notes to Schedule:

Changes of assumptions: Changes of assumption and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2020	2019	2018	2017
2.41%	2.75%	3.83%	3.50%

*Note: The schedule is intended to show information for the last ten (10) fiscal years. Additional years will be displayed as they become available.

** Measurement date.

Statistical Section



The Children's Trust
Introduction to Statistical Section
(Unaudited)

This part of The Children's Trust (The Trust) annual comprehensive financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information is unaudited.

Contents	<u>Exhibits</u>
Financial Trends	
These tables contain trend information that may assist the reader in assessing The Trust's current financial performance by placing it in historical perspective.	I - VIII
Revenue Capacity	
These tables contain information that may assist the reader in assessing the viability of The Trust's most significant "own-source" revenue source, property taxes.	IX - XII
Demographic and Economic Information	
These tables present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which The Trust operates and (2) to provide information that facilitates comparisons of financial statement information over time and among Children Service Councils.	XIII-XIV
Operating Information	
These tables contain service and infrastructure indicators that can inform one's understanding how the information in The Trust's financial statements relates to the services The Trust provides and the activities it performs.	XV-XVII
Notes :	
The Trust has not issued any long-term debt since its inception. Therefore, the debt exhibits are not applicable.	
Data Source:	
Unless otherwise noted, the information in these tables is derived from The Trust's annual comprehensive financial report for the applicable year, as appropriate.	

The Children's Trust
Changes in Net Position - Governmental Activities
(Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	For the Fiscal Years Ended September 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
Provider services	\$ 81,145,736	\$ 82,478,370	\$ 81,445,927	\$ 80,517,056	\$ 91,252,586	\$ 93,207,918	\$ 109,649,071	\$ 126,605,995	\$ 137,495,564	\$ 139,769,834
General administration:										
Personnel services	6,811,602	7,043,872	7,398,102	7,687,886	9,073,088	9,087,197	8,844,235	9,712,404	10,078,773	8,802,022
Materials and services	1,378,002	1,422,344	1,324,884	1,420,624	1,459,123	1,396,526	1,363,121	1,209,163	1,144,211	1,037,039
Interlocal agreement, property appraiser and tax collector fees	3,114,440	3,406,674	3,609,718	3,936,952	4,546,478	6,220,217	3,803,729	3,832,138	4,491,280	5,015,795
Total Expenses	92,449,780	94,351,260	93,778,631	93,562,518	106,331,275	109,911,858	123,660,156	141,359,700	153,209,828	154,624,690
General Revenues:										
Ad valorem taxes	89,450,069	88,846,224	93,382,166	100,978,419	109,390,359	121,452,284	122,509,168	123,289,413	139,040,709	140,156,043
Investment earnings	617,854	403,306	223,088	494,365	383,094	762,253	1,397,650	2,414,442	1,312,355	256,447
Interlocal agreement	2,154,336	2,446,570	2,659,187	2,933,304	3,455,550	3,978,199	1,479,394	1,459,908	1,944,939	2,369,104
Miscellaneous	60,948	84,530	138,070	147,746	164,392	227,140	308,096	359,107	148,891	248,780
Total General Revenues	92,283,207	91,780,630	96,402,511	104,553,834	113,393,395	126,419,876	125,694,308	127,522,870	142,446,894	143,030,374
Change in Net Position	\$ (166,573)	\$ (2,570,630)	\$ 2,623,880	\$ 10,991,316	\$ 7,062,120	\$ 16,508,018	\$ 2,034,152	\$ (13,836,830)	\$ (10,762,934)	\$ (11,594,316)

Data Source:

Applicable years' annual comprehensive financial report.

The Children's Trust
Changes in Net Position - Governmental Activities - Percentage of Total
(Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	For the Fiscal Years Ended September 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Provider services	87.8%	87.4%	86.85%	86.1%	85.8%	84.7%	88.7%	89.6%	89.7%	90.4%
General administration:										
Personnel services	7.4%	7.5%	7.89%	8.2%	8.5%	8.3%	7.2%	6.9%	6.6%	5.7%
Materials and services	1.5%	1.5%	1.41%	1.5%	1.4%	1.3%	1.1%	0.9%	80.0%	0.7%
Interlocal agreement, property appraiser and tax collector fees	3.4%	3.6%	3.90%	4.2%	4.3%	5.7%	3.0%	2.6%	2.9%	3.2%
Total Expenses	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
General Revenues:										
Ad valorem taxes	96.9%	96.8%	96.9%	96.6%	96.5%	96.1%	97.5%	96.7%	97.6%	98.0%
Investment earnings	0.7%	0.4%	0.2%	0.5%	0.3%	0.6%	1.1%	1.9%	0.9%	0.2%
Interlocal agreement	2.3%	2.7%	2.8%	2.8%	3.1%	3.1%	1.2%	1.1%	1.4%	1.6%
Miscellaneous	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.3%	0.1%	0.2%
Total General Revenues	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Data Source:

Applicable years' annual comprehensive financial report.

The Children's Trust
Government-wide Net Position by Component ¹
(Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	September 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Investment in capital assets	\$ 340,777	\$ 205,008	\$ 249,216	\$ 191,693	\$ 296,006	\$ 350,841	\$ 256,827	\$ 325,275	\$ 266,279	\$ 197,529
Restricted	30,662,843	28,227,982	30,807,654	38,659,649	45,617,456	62,070,639	64,511,419	50,606,141	39,902,203	28,376,637
Total Governmental Activities	<u>\$ 31,003,620</u>	<u>\$ 28,432,990</u>	<u>\$ 31,056,870</u>	<u>\$ 38,851,342</u>	<u>\$ 45,913,462</u>	<u>\$ 62,421,480</u>	<u>\$ 64,768,246</u>	<u>\$ 50,931,416</u>	<u>\$ 40,168,482</u>	<u>\$ 28,574,166</u>

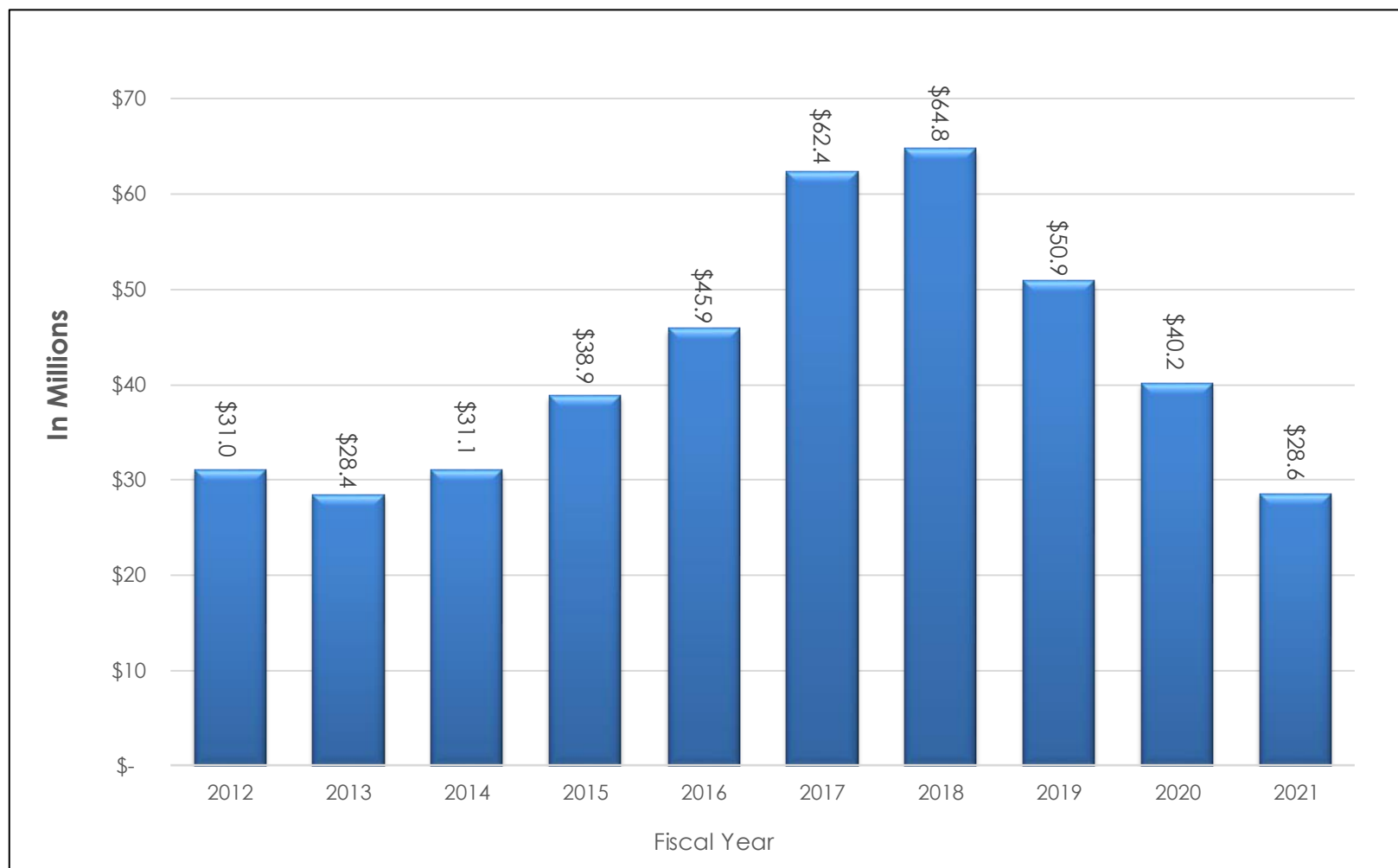
Notes:

¹ Accounting standards require that net position be reported in three components in the financial statements: investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when (1) an external party, such as the State of Florida or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by The Trust. Restrictions currently reported are a result of contracts with external parties.

Data Source:

Applicable years' annual comprehensive financial report.

The Children's Trust
Chart-Total Government-wide Net Position
(Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)



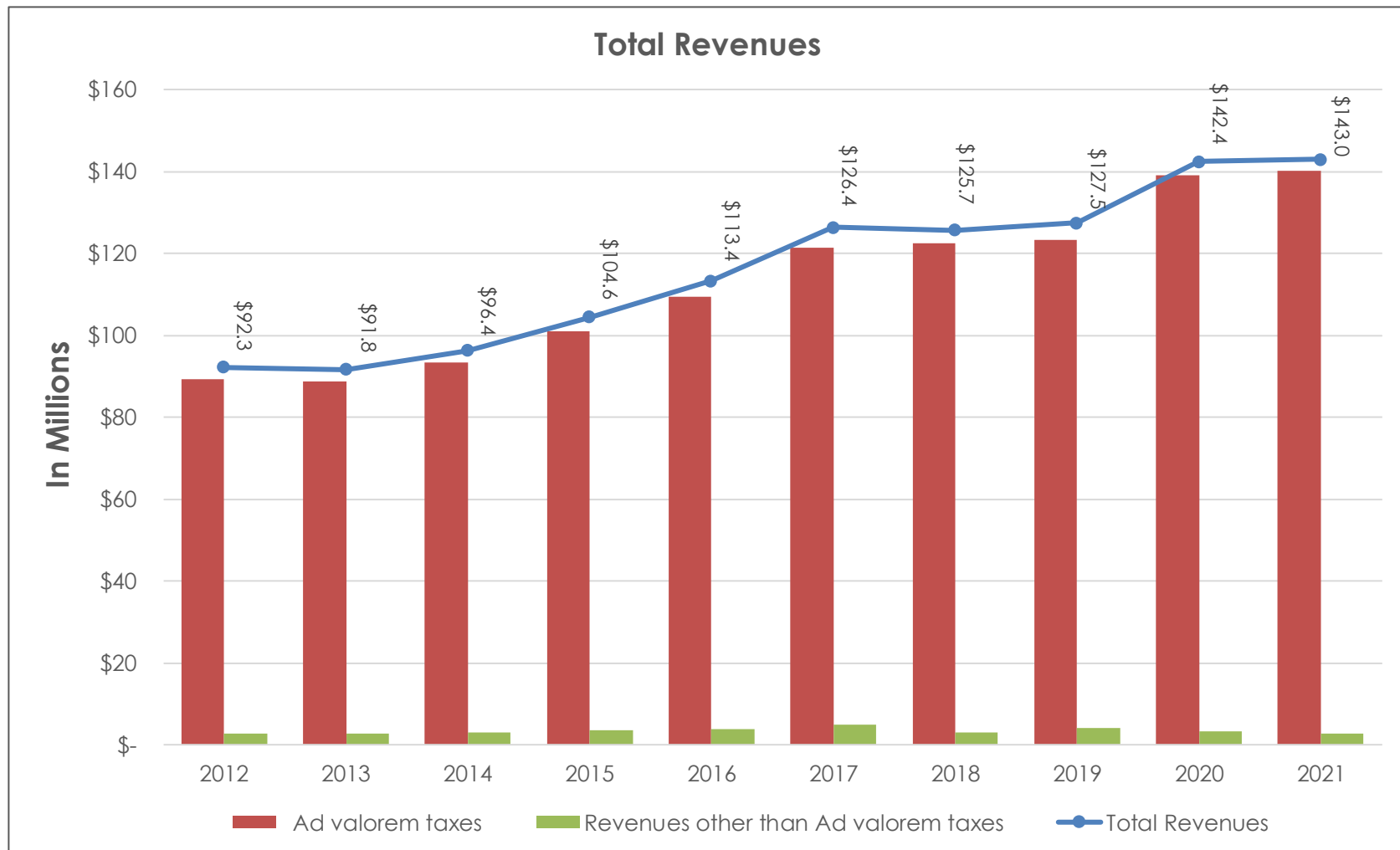
The Children's Trust
General Governmental Revenues by Source
(Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

For the Fiscal Years Ended September 30,										
Revenue Source	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Ad valorem taxes	\$ 89,450,069	\$ 88,846,224	\$ 93,382,166	\$ 100,978,419	\$ 109,390,359	\$ 121,452,284	\$ 122,509,168	\$ 123,289,413	\$ 139,040,709	\$ 140,156,043
Investment earnings	617,854	403,306	223,088	494,365	383,094	762,253	1,397,650	2,414,442	1,312,355	256,447
Interlocal agreement	2,154,336	2,446,570	2,659,187	2,933,304	3,455,550	3,978,199	1,479,394	1,459,908	1,944,939	2,369,104
Miscellaneous	60,948	84,530	138,070	147,746	164,392	227,140	308,096	359,107	148,891	248,780
Total Revenues	\$ 92,283,207	\$ 91,780,630	\$ 96,402,511	\$ 104,553,834	\$ 113,393,395	\$ 126,419,876	\$ 125,694,308	\$ 127,522,870	\$ 142,446,894	\$ 143,030,374
% change from prior year	-0.7%	-0.5%	5.0%	8.5%	8.5%	11.5%	-0.6%	1.5%	11.7%	0.4%
Percentage of Total Revenues										
Ad valorem taxes	96.9%	96.8%	96.9%	96.6%	96.5%	96.1%	97.5%	96.7%	97.6%	98.0%
Investment earnings	0.7%	0.4%	0.2%	0.5%	0.3%	0.6%	1.1%	1.9%	0.9%	0.2%
Interlocal agreement	2.3%	2.7%	2.8%	2.8%	3.1%	3.1%	1.2%	1.1%	1.4%	1.6%
Miscellaneous	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.3%	0.1%	0.2%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

Applicable years' annual comprehensive financial report.

The Children's Trust
Chart-Total General Governmental Revenues by Source
(Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)



The Children's Trust
General Governmental Expenditures by Function
(Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

Function	For the Fiscal Years Ended September 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Current:										
Personnel Costs:										
Salaries	\$ 4,997,764	\$ 5,181,763	\$ 5,308,453	\$ 5,491,478	\$ 6,377,367	\$ 5,977,428	\$ 6,119,116	\$ 6,419,586	\$ 6,539,001	\$ 6,725,811
Benefits	1,769,013	1,792,276	1,993,583	2,143,426	2,316,538	2,354,555	2,256,810	2,274,199	2,290,389	2,451,142
Total personnel costs	6,766,777	6,974,039	7,302,036	7,634,904	8,693,905	8,331,983	8,375,926	8,693,785	8,829,390	9,176,953
% Change From Prior Year	-1.1%	3.1%	4.7%	4.6%	13.9%	-4.2%	0.5%	3.8%	1.6%	3.9%
Provider Services	81,145,736	82,478,370	81,445,927	80,517,056	91,252,586	93,335,919	109,606,544	126,699,768	137,495,564	139,769,834
% Change From Prior Year	-6.2%	1.6%	-1.3%	-1.1%	13.3%	2.3%	17.4%	15.6%	8.5%	1.7%
Operating:										
Professional services	104,436	103,124	82,034	115,990	153,662	35,132	78,700	44,288	62,360	67,616
Accounting/auditing/legal	223,101	221,075	218,235	213,595	216,492	319,297	319,875	318,186	243,139	268,294
Other contractual services	59,352	39,385	31,178	57,320	30,990	24,559	62,848	27,831	4,365	7,897
Travel, per diem and conferences	125,870	130,482	134,992	96,839	88,761	98,410	94,554	87,463	64,946	1,736
Communications and freight services	126,397	71,070	77,549	100,942	117,489	121,000	120,343	107,539	116,233	57,588
Rental and leases	533,471	478,203	493,757	502,221	510,852	474,133	385,803	392,217	400,912	401,780
Insurance	65,304	69,486	76,006	86,641	84,054	83,595	67,269	69,123	73,732	77,994
Postage and courier	8,504	10,197	10,532	9,521	8,893	7,775	5,428	6,038	9,186	8,534
Printing and binding	23,296	25,995	16,608	44,404	23,059	15,079	12,572	9,071	7,610	10,994
Office	29,712	22,996	20,204	23,638	18,256	8,368	10,056	9,140	8,201	7,611
Operating	108,207	74,608	76,840	64,909	73,502	64,412	97,183	46,696	37,229	40,610
Dues and fees	18,038	38,055	38,703	33,317	37,955	35,290	23,586	41,846	38,656	17,635
Other current charges and obligations	4,987	1,900	6,702	1,651	2,833	3,208	1,191	-	-	-
Total Operating	1,430,675	1,286,576	1,283,340	1,350,988	1,366,798	1,290,258	1,279,408	1,159,438	1,066,569	968,289
% Change From Prior Year	4.2%	-10.1%	-0.3%	5.3%	1.2%	-5.6%	-0.8%	-9.4%	-8.0%	-9.2%
Capital Outlay	16,845	-	85,752	12,113	196,638	33,102	32,225	24,400	18,646	-
% Change From Prior Year	-78.6%	-100.0%	100.0%	-85.9%	1523.4%	-83.2%	-2.6%	-24.3%	-23.6%	-100.0%
Non-operating Expenditures	3,114,440	3,406,674	3,609,718	3,936,952	4,546,478	6,220,217	3,803,729	3,832,138	4,491,280	5,015,795
% Change From Prior Year	-2.6%	9.4%	6.0%	9.1%	15.5%	36.8%	-38.8%	0.7%	17.2%	11.7%
Total Expenditures	\$ 92,474,473	\$ 94,145,659	\$ 93,726,773	\$ 93,452,013	\$ 106,056,405	\$ 109,211,479	\$ 123,097,832	\$ 140,409,529	\$ 151,901,449	\$ 154,930,871
% Change From Prior Year	-5.7%	1.8%	-0.4%	-0.3%	13.5%	3.0%	12.7%	14.1%	8.2%	2.0%

Data Source:

Applicable years' annual comprehensive financial report.

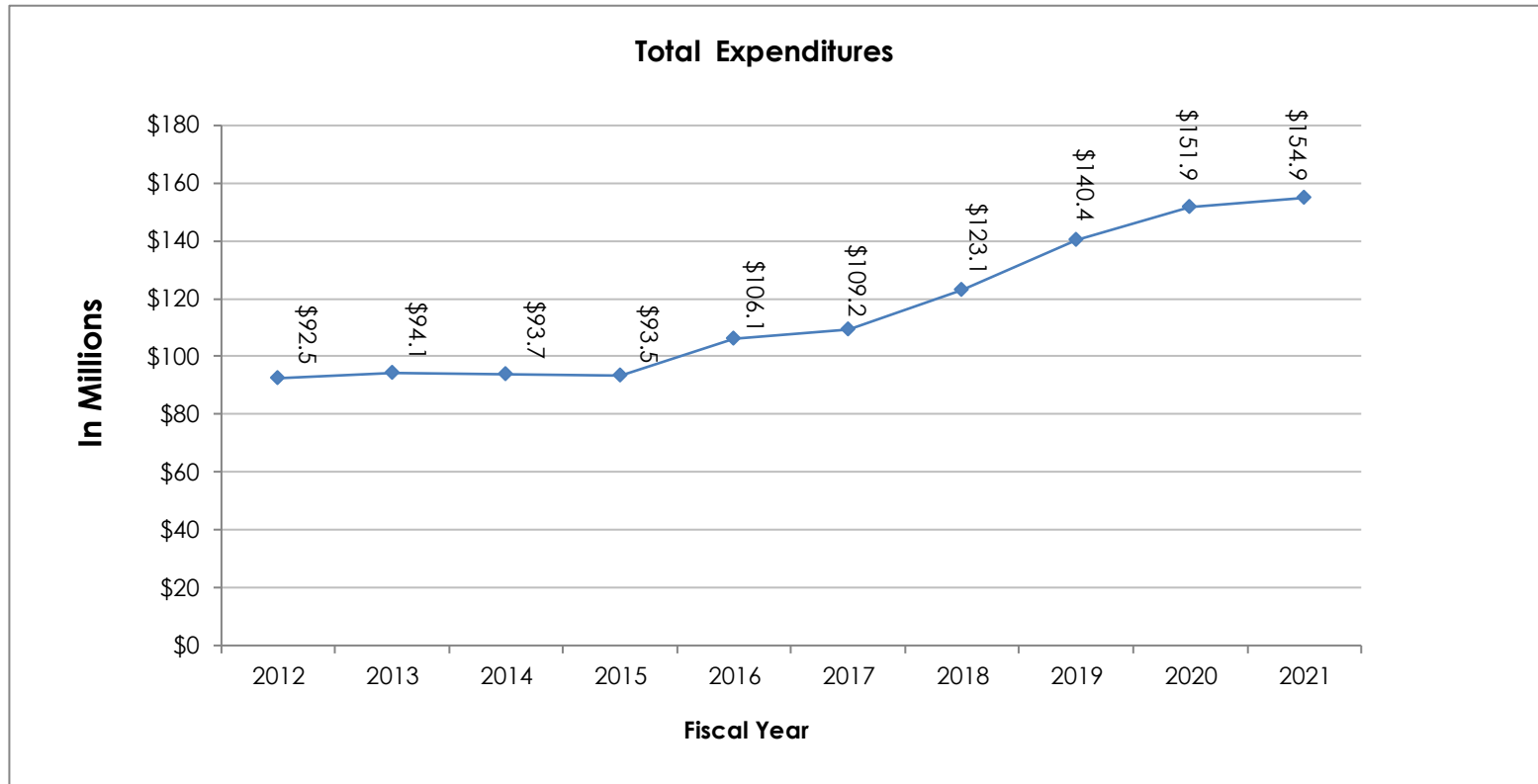
The Children's Trust
General Governmental Expenditures by Type
(Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

Type	For the Fiscal Years Ended September 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Current:										
Provider services	\$ 81,145,736	\$ 82,478,370	\$ 81,445,927	\$ 80,517,056	\$ 91,252,586	\$ 93,335,919	\$ 109,606,544	\$ 126,699,768	\$ 137,495,564	\$ 139,769,834
Personnel	6,766,777	6,974,039	7,302,036	7,634,904	8,693,905	8,331,983	8,375,926	8,693,785	8,829,390	9,176,953
Operating	1,430,675	1,286,576	1,283,340	1,350,988	1,366,798	1,290,258	1,279,408	1,159,438	1,066,569	968,289
Capital outlay	16,845	-	85,752	12,113	196,638	33,102	32,225	24,400	18,646	-
Non-operating	3,114,440	3,406,674	3,609,718	3,936,952	4,546,478	6,220,217	3,803,729	3,832,138	4,491,280	5,015,795
Total Expenditures	\$ 92,474,473	\$ 94,145,659	\$ 93,726,773	\$ 93,452,013	\$ 106,056,405	\$ 109,211,479	\$ 123,097,832	\$ 140,409,529	\$ 151,901,449	\$ 154,930,871
Percentage of Total Expenditures										
Current:										
Provider services	87.7%	87.6%	86.9%	86.2%	86.0%	85.5%	89.1%	90.3%	90.5%	90.2%
Personnel	7.4%	7.4%	7.8%	8.2%	8.2%	7.6%	6.8%	6.2%	5.8%	5.9%
Operating	1.5%	1.4%	1.3%	1.4%	1.3%	1.2%	1.0%	0.8%	0.7%	0.6%
Capital outlay	0.0%	0.0%	0.1%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-operating	3.4%	3.6%	3.9%	4.2%	4.3%	5.7%	3.1%	2.7%	3.0%	3.3%
Total Expenditures	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

Applicable years' annual comprehensive financial report.

The Children's Trust
Chart-Total General Governmental Expenditures
(Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)



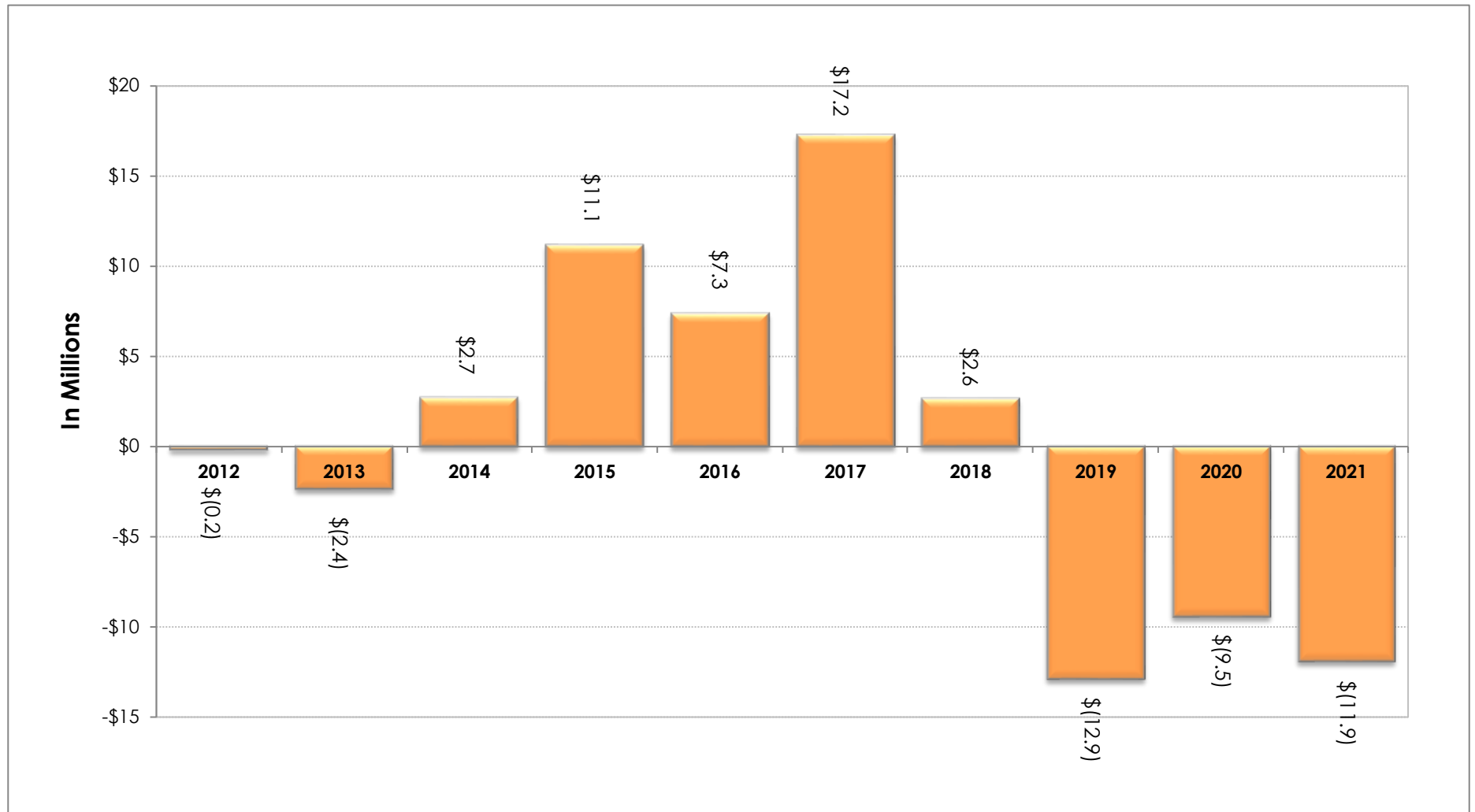
The Children's Trust
Summary of Changes in Fund Balance - Governmental Fund
(Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Fiscal Years Ended September 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Revenues	\$ 92,283,207	\$ 91,780,630	\$ 96,402,511	\$ 104,553,834	\$ 113,393,395	\$ 126,419,876	\$ 125,694,308	\$ 127,522,870	\$ 142,446,894	\$ 143,030,374
Total Expenditures	92,474,473	94,145,659	93,726,773	93,452,013	106,056,405	109,211,479	123,097,832	140,409,529	151,901,449	154,930,871
Net Change in Fund Balance	<u>\$ (191,266)</u>	<u>\$ (2,365,029)</u>	<u>\$ 2,675,738</u>	<u>\$ 11,101,821</u>	<u>\$ 7,336,990</u>	<u>\$ 17,208,397</u>	<u>\$ 2,596,476</u>	<u>\$ (12,886,659)</u>	<u>\$ (9,454,555)</u>	<u>\$ (11,900,497)</u>

Data Source:

Applicable years' annual comprehensive financial report.

The Children's Trust
Chart-Summary of Changes in Fund Balance - Governmental Fund
(Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)



The Children's Trust
Fund Balance - Governmental Fund
(Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	September 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Nonspendable:										
Prepaid items	\$ 91,516	\$ 11,198	\$ 4,094	\$ 86,160	\$ 38,727	\$ 3,404	\$ 68,050	\$ 77,108	\$ 2,352	\$ 40,656
Restricted:										
Contracts	30,980,264	28,695,553	31,378,395	42,398,150	49,782,573	67,026,293	69,558,123	56,662,406	47,282,607	35,343,806
Total General Fund	<u>\$ 31,071,780</u>	<u>\$ 28,706,751</u>	<u>\$ 31,382,489</u>	<u>\$ 42,484,310</u>	<u>\$ 49,821,300</u>	<u>\$ 67,029,697</u>	<u>\$ 69,626,173</u>	<u>\$ 56,739,514</u>	<u>\$ 47,284,959</u>	<u>\$ 35,384,462</u>
General Fund % Change										
From Prior Year	<u>-0.61%</u>	<u>-7.61%</u>	<u>9.32%</u>	<u>35.38%</u>	<u>17.27%</u>	<u>34.54%</u>	<u>3.87%</u>	<u>-18.51%</u>	<u>-16.66%</u>	<u>-25.17%</u>

Data Source:

Applicable years' annual comprehensive financial report.

The Children's Trust
Actual Value and Assessed Value of Taxable Property by Type
(Unaudited)
Last Ten Fiscal Years
(in thousands)

Fiscal Year Ended September 30,	Real Property				Total Actual and Assessed Value of Taxable Property	Exemptions ¹			Total Taxable Assessed Value	Total The Children's Trust Tax Rate
	Residential Property	Commercial/ Industrial Property	Government/ Institution	Personal Property		Real Property Amendment 10 Excluded Value ²	Real Property Other Exemptions	Personal Property		
2012	\$ 157,542,515	\$ 55,104,068	\$ 23,721,709	\$ 15,328,770	\$ 251,697,062	\$ 14,229,202	\$ 51,971,081	\$ 5,453,966	\$ 180,042,813	0.5000
2013	160,175,268	56,439,801	23,527,174	15,572,148	255,714,391	13,507,069	52,941,254	5,334,992	183,931,076	0.5000
2014	168,994,844	57,759,674	23,096,629	17,238,830	267,089,977	14,756,461	55,380,823	5,555,738	191,396,955	0.5000
2015	196,063,548	61,020,542	24,451,075	18,050,702	299,585,867	25,683,760	62,359,146	5,676,420	205,866,541	0.5000
2016	225,419,272	68,407,631	26,216,817	18,447,758	338,491,478	36,988,381	70,316,704	5,659,546	225,526,847	0.5000
2017	251,922,449	74,772,583	28,085,673	18,992,073	373,772,778	46,537,562	74,497,769	5,705,672	247,031,775	0.5000
2018	268,024,739	81,589,778	29,629,048	19,489,946	398,733,511	50,050,209	74,238,845	5,819,653	268,624,804	0.4673
2019	250,642,534	117,016,043	30,206,220	20,064,651	417,929,448	51,811,572	72,822,324	5,587,696	287,707,856	0.4415
2020	257,255,185	125,235,970	30,739,343	21,387,295	434,617,793	50,682,429	77,501,414	5,683,148	300,750,802	0.4680
2021 ³	262,410,204	131,782,525	31,525,292	17,889,266	443,607,287	49,129,880	71,485,378	2,395,608	320,596,421	0.4507

Notes:

¹ Exemptions for real property include: \$25,000 homestead exemption; an additional \$25,000 homestead exemption (excluding School Board taxes) starting in FY 2009; widows/widowers exemption; governmental exemption; disability/blind age 65 and older exemption; institutional exemption; economic development exemption and other exemptions as allowed by law.

² Amendment 10 was an amendment to the Florida Constitution in 1992 which capped the assessed value of properties with homestead exemption to increases of 3% per year or the Consumer Price Index, whichever is less (193.155, F.S.).

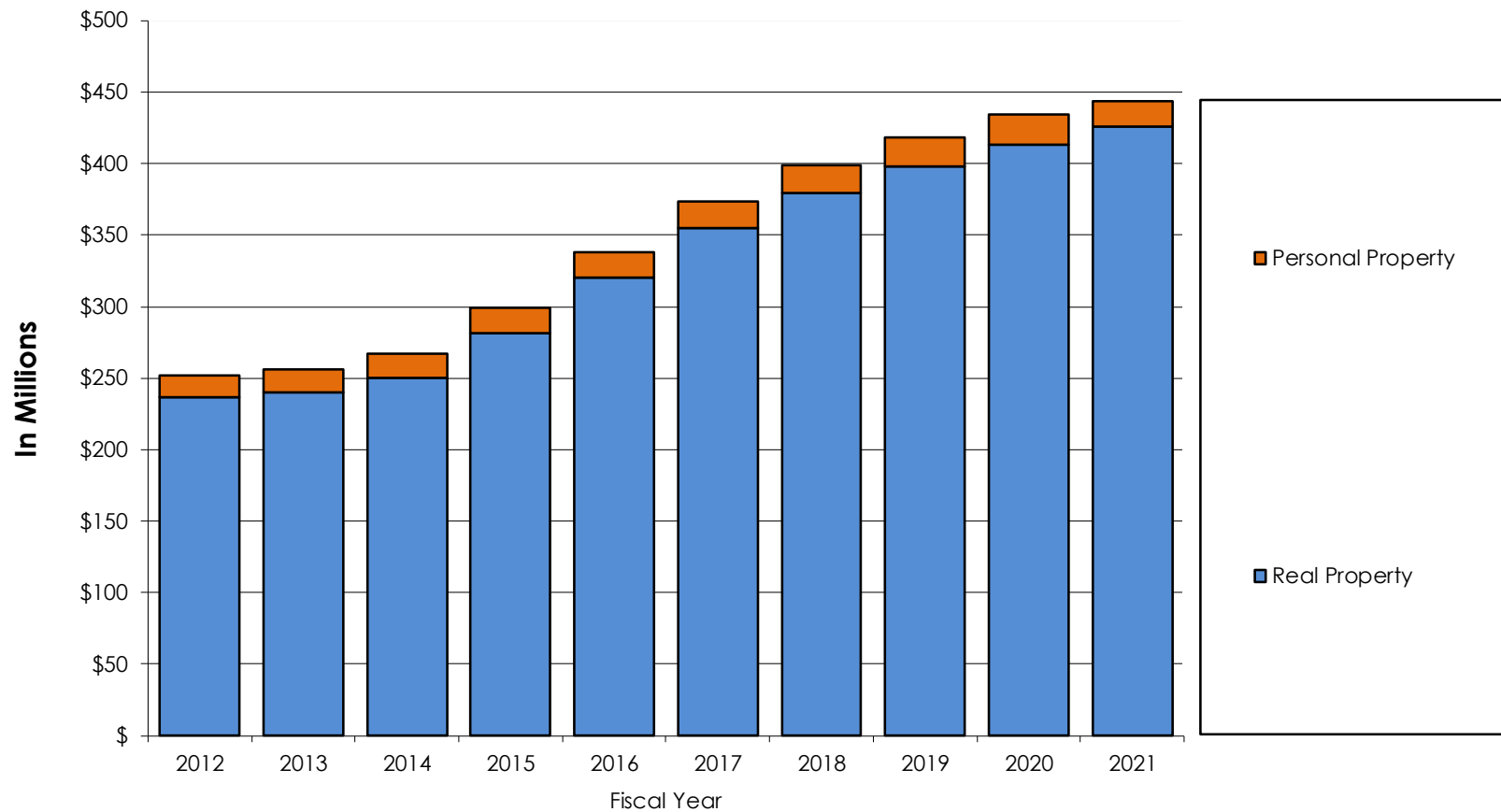
³ Total actual and assessed values for FY 2021 reflect the Final 2020 Tax Roll.

The Final Certified Tax Roll for 2021 has not been released as of the date of this report.

Data Source :

Miami-Dade County Property Appraiser

The Children's Trust
Chart-Total Actual Value and Assessed Value of Taxable Property by Type
(Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)



The Children's Trust
Direct and Overlapping Property Tax Rates
(Unaudited)
Last Ten Fiscal Years
(rate per \$1,000 of assessed taxable value)

Fiscal Year	Overlapping Rates ¹													Total Direct and Overlapping Millage
	Direct ² The Children's Trust													
		Miami-Dade County			Miami-Dade County School Board									
		Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Water Management District	Environmental Project	Okeechobee Basin	Special District	Fire and Rescue	Fire Debt	
2012	0.5000	4.8050	0.2850	5.0900	7.7650	0.2400	8.0050	0.3739	0.0624	-	0.0345	2.4496	0.0131	16.5285
2013	0.5000	4.7035	0.2850	4.9885	7.7650	0.2330	7.9980	0.3676	0.0613	-	0.0345	2.4496	0.0131	16.4126
2014	0.5000	4.7035	0.4220	5.1255	7.6440	0.3330	7.9770	0.3523	0.0587	-	0.0345	2.4496	0.0127	16.5103
2015	0.5000	4.6669	0.4500	5.1169	7.7750	0.1990	7.9740	0.1577	0.0548	0.1717	0.0345	2.4207	0.0114	16.4417
2016	0.5000	4.6669	0.4500	5.1169	7.4130	0.1990	7.6120	0.1459	0.0506	0.1586	0.0320	2.4207	0.0086	16.0453
2017	0.5000	4.6669	0.4000	5.0669	7.1380	0.1840	7.3220	0.1359	0.0471	0.1477	0.0320	2.4207	0.0075	15.6798
2018	0.4673	4.6669	0.4000	5.0669	6.7740	0.2200	6.9940	0.1275	0.0441	0.1384	0.0320	2.4207	0.0075	15.2984
2019	0.4415	4.6669	0.4644	5.1313	6.5040	0.2290	6.7330	0.1209	0.0417	0.1310	0.0320	2.4207	0.0000	15.0521
2020	0.4680	4.6669	0.4780	5.1449	6.9360	0.1930	7.1290	0.1103	0.0380	0.1192	0.0320	2.4207	0.0000	15.4621
2021	0.4507	4.6669	0.5075	5.1744	6.8290	0.1800	7.0090	0.1061	0.0365	0.1146	0.0320	2.4207	0.0000	15.3440

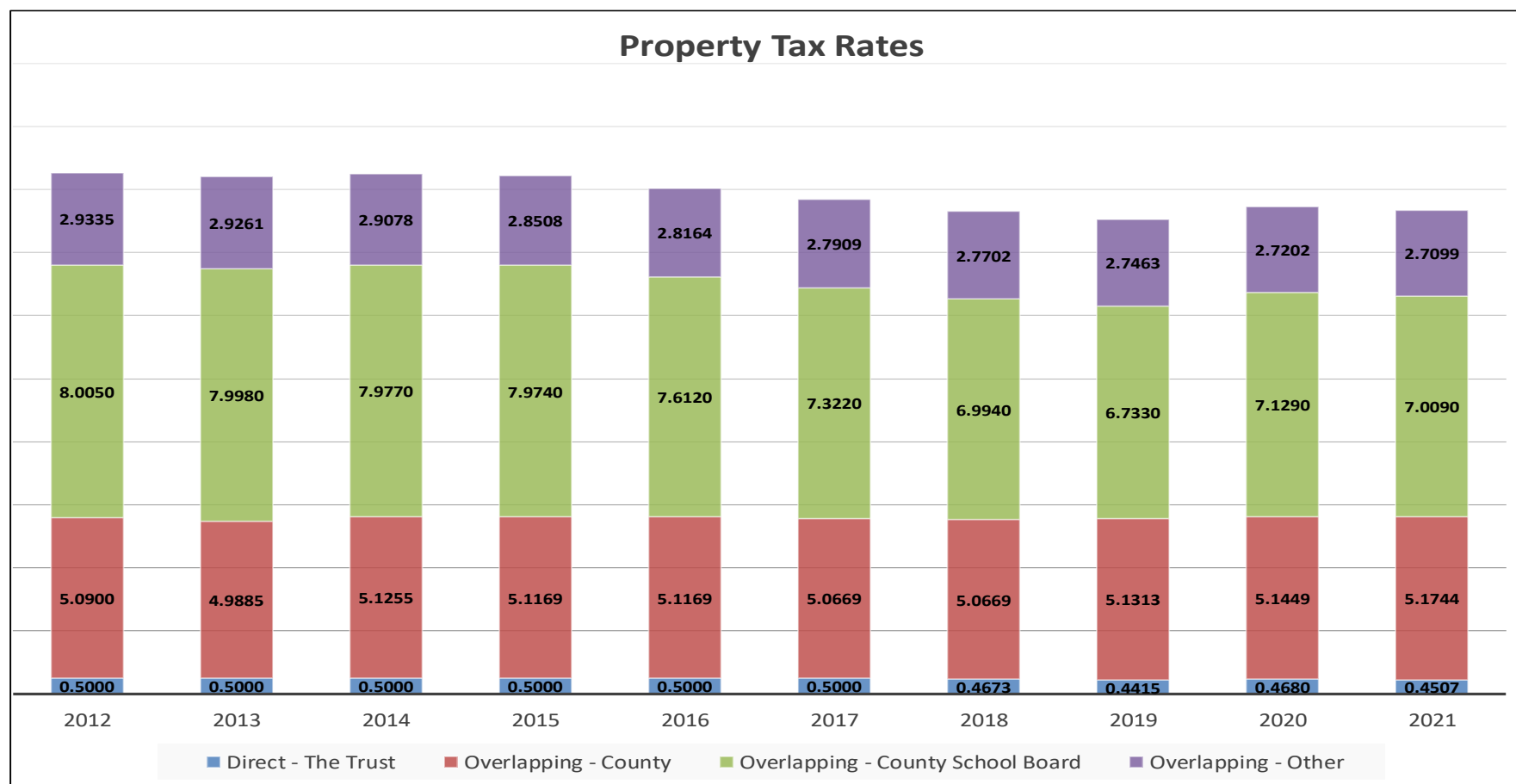
¹ Overlapping rates are those of governments that overlap The Trust's geographic boundaries.

² There is only one component of the direct tax rate, which is the operating millage rate, as the ordinance creating The Trust enables The Trust to levy a tax of no more than one-half (1/2) mill for the provision of children's services and programs.

Data Source:

Miami-Dade County Property Appraiser Office: http://www.miamidade.gov/pa/millage_tables.asp

The Children's Trust
Chart-Direct and Overlapping Property Tax Rates
(Unaudited)
Last Ten Fiscal Years
(rate per \$1,000 of assessed taxable value)



The Children's Trust
Total Property Tax Levies and Collections ¹
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year		Total Taxes Collected		Total Uncollected Taxes	
			Amount	Percentage of Levy	Amount	Percentage of Levy
2012	\$	94,360,611	\$ 89,450,069	94.80%	\$ 4,910,542	5.20%
2013		96,108,366	88,846,224	92.44%	7,262,142	7.56%
2014		99,554,399	93,382,166	93.80%	6,172,233	6.20%
2015		106,307,780	100,978,419	94.99%	5,329,361	5.01%
2016		116,239,802	109,390,359	94.11%	6,849,443	5.89%
2017		126,668,576	121,452,284	95.88%	5,216,292	4.12%
2018		128,355,889	122,509,168	95.44%	5,846,721	4.56%
2019		129,067,234	123,289,413	95.52%	5,777,821	4.48%
2020		145,503,907	139,040,709	95.56%	6,463,198	4.44%
2021		147,181,720	140,156,043	95.23%	7,025,677	4.77%

Notes:

¹ Information pertaining to the collections of property taxes in subsequent years is not available from the Miami Dade County Finance Department (the County), Tax Collector's Division. The Trust will include the subsequent year's collection information, on a prospective basis, at such time that this information becomes available from the County.

Data Source:

The Trust's Finance Department

The Children's Trust
Principal Real Property Taxpayers
(Unaudited)
Fiscal Years Ended September 30, 2021 and 2012

2021				2012			
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Florida Power & Light Company	\$ 6,686,433,669	1	2.09%	Florida Power & Light Company	\$ 3,287,144,963	1	1.83%
Aventura Mall Venture Lessor	522,455,961	2	0.16%	Bellsouth Telecommunications INC	466,712,175	2	0.26%
The Graham Companies	515,794,691	3	0.16%	Aventura Mall Venture	341,248,027	3	0.19%
Fountainbleau Florida Hotel LLC	420,166,732	4	0.13%	SDG Dadeland Associates INC TRS	292,500,000	4	0.16%
SDG Dadeland Associates INC TRS	402,707,760	5	0.13%	Fontainebleau Florida Hotel LLC	289,947,584	5	0.16%
Ponte Gadea Biscayne LLC	402,204,897	6	0.13%	The Graham Companies	278,194,945	6	0.15%
Dolphin Mall Assoc LTD Partnership	363,877,079	7	0.11%	Tarmac America LLC	263,418,562	7	0.15%
TWJ 1101 LLC	340,383,630	8	0.11%	200 S Biscayne TIC I LLC	260,000,000	8	0.14%
Bal Harbour Shops LLC	278,067,903	9	0.09%	Dolphin Mall Assoc LTD Partnership	233,260,299	9	0.13%
MB Redevelopment Inc.	266,000,000	10	0.08%	2201 Collins Fee LLC	215,950,950	10	0.12%
Total Principal Taxpayers	10,198,092,322		3.18%	Total Principal Taxpayers	5,928,377,505		3.29%
All Other Taxpayers	310,398,328,678		96.82%	All Other Taxpayers	174,114,435,453		96.71%
Total	<u>\$ 320,596,421,000</u>		<u>100.00%</u>	Total	<u>\$ 180,042,812,958</u>		<u>100.00%</u>

Data Source:

Miami-Dade County Property Appraiser

The Children's Trust
Demographic and Economic Statistics
(Unaudited)
Last Ten Calendar Years

Calendar Year	Population ¹	(in \$1,000)	Per Capita	Median Age ¹	Unemployment Rate		
		Total Personal Income ²	Personal Income ²		County ³	State of Florida ³	United States ⁴
2012	2,551,255	\$ 100,688,604	\$ 39,466	39	9.7%	7.2%	8.1%
2013	2,565,685	104,373,301	40,680	39	8.9%	7.3%	7.4%
2014	2,586,290	111,528,866	43,123	39	7.2%	6.3%	6.2%
2015	2,653,934	116,553,169	43,917	40	6.2%	5.4%	5.3%
2016	2,696,353	123,276,064	45,440	40	5.8%	4.9%	4.9%
2017	2,743,095	131,244,442	47,813	40	5.0%	4.4%	4.5%
2018	2,779,322	138,138,976	50,022	40	3.6%	3.7%	4.0%
2019	2,812,130	149,166,155	54,902	40	2.9%	3.3%	3.7%
2020	2,832,794	146,722,399	51,794	40	7.4%	5.1%	6.0%
2021	2,875,027	(1)	(1)	40	7.4%	5.1%	6.0%

Data Sources:

¹ 2011-2021, Miami-Dade County annual comprehensive financial report; 2021 estimated by management.

² 2011-2019, Miami-Dade County annual comprehensive financial report; 2020 estimated by management.

³ Real Estate Center: <https://www.recenter.tamu.edu/data/employment/#/!/state/Florida>

⁴ U.S. Department of Labor, Bureau of Labor Statistics:
http://data.bls.gov/timeseries/LNU04000000?years_option=all_years&periods_option=specific_periods&periods=Annual+Data

⁽¹⁾ Information not available as of the date of this report.

The Children's Trust
Principal Employers
(Unaudited)
For the Fiscal Years Ended September 30, 2021 and 2012

Employer	Business	2021 ¹		
		Number of Employees	% of Total County Employment	Rank
Miami-Dade County Public Schools	Education	37,696	3.02%	1
Miami-Dade County	Local Government	25,502	2.04%	2
U.S. Federal Government	National Government	19,200	1.54%	3
Florida State Government	State Government	17,100	1.37%	4
University of Miami	Education	12,818	1.03%	5
Baptist Health South Florida	Health Care	11,353	0.91%	6
American Airlines	Aviation	11,031	0.88%	7
Jackson Memorial Hospital	Health Care	9,797	0.78%	8
Publix Super Market	Education	4,604	0.37%	9
City of Miami	Local Government	3,997	0.32%	10
Total Principal Employers		153,098	12.26%	

Employer	Type of Business	2012		
		Number of Employees	% of Total County Employment	Rank
Miami-Dade County Public Schools	Education	44,132	3.39%	1
Miami-Dade County	Government	26,351	2.03%	2
U.S. Federal Government	Government	19,400	1.49%	3
Florida State Government	Government	17,600	1.35%	4
Baptist Health South Florida	Healthcare	14,864	1.14%	5
University of Miami	Healthcare	13,233	1.02%	6
Jackson Health System	Healthcare	10,809	0.83%	7
Publix Super Markets	Retail	10,800	0.83%	8
American Airlines	Aviation	9,000	0.69%	9
Florida International University	Education	8,000	0.62%	10
Total Principal Employers		174,189	13.39%	

Data Source:

The Beacon Council, Miami, FL, Miami Business Profile

¹ Information is based on data from 2019. The data for year 2020 and 2021 is not available as of the date of this report.

Miami-Dade County, Florida 2012 annual comprehensive financial report

The Children's Trust
Full-time Employees by Function/Program
(Unaudited)
Last Ten Fiscal Years

	Fiscal Years									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Function/program</u>										
Executive	2	2	2	2	2	2	2	2	2	2
Programs	33	31	33	24	26	23	26	27	24	26
Operations	6	9	10	12	13	10	10	10	10	10
Finance	14	14	13	14	12	12	13	14	14	14
Research and Evaluation	9	11	11	13	13	13	15	15	15	15
Information Systems	9	8	8	7	3	4	5	5	5	5
Public Policy, Community Engagement and Communications	7	9	7	11	12	11	11	11	12	13
Total Employees	80	84	84	83	81	75	82	84	82	85
<u>Percentage Change From Prior Year</u>	<u>1.3%</u>	<u>5.0%</u>	<u>0.0%</u>	<u>-1.2%</u>	<u>-2.4%</u>	<u>-7.4%</u>	<u>9.3%</u>	<u>2.4%</u>	<u>-2.4%</u>	<u>3.7%</u>

Data Source:

The Trust's Finance Department

The Children's Trust
Operating Statistics by Program
(Unaudited)
Last Ten Fiscal Years

Program	Fiscal Years									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
SUSTAIN AND EXPAND DIRECT SERVICES										
Parenting programs	22	21	22	31	31	35	48	54	51	49
Thrive by 5 (early childhood development)	26	28	32	20	23	33	22	32	31	35
Youth development	142	139	128	112	113	119	175	177	175	173
Health and wellness	24	24	33	15	16	18	28	24	24	26
Family and neighborhood supports	15	15	23	22	21	18	21	20	20	19
Total sustain and expand direct services	229	227	238	200	204	223	294	307	301	302
COMMUNITY AWARENESS AND ADVOCACY										
Promote public policy and legislative agendas	4	4	4	-	-	-	-	-	-	-
Public awareness and program promotion	-	-	-	-	-	-	-	-	-	-
Promote citizen engagement and leadership to improve child and family conditions	-	-	-	3	3	3	-	-	-	-
Cross-funder collaboration of goals, strategies and resources	5	6	6	4	4	3	7	11	14	13
Total community awareness and advocacy	9	10	10	7	7	6	7	11	14	13
PROGRAM AND PROFESSIONAL DEVELOPMENT										
Supports for quality program implementation	1	1	1	2	25	24	2	26	23	22
Information technology	-	-	-	-	-	-	-	-	-	-
Program evaluation and community research	5	4	1	1	-	-	-	-	-	-
Innovation fund	-	-	-	-	5	5	-	12	16	22
Total program and professional development	6	5	2	3	30	29	2	38	39	44
TOTAL	244	242	250	210	241	258	303	356	354	359

Data Source:

The Trust's Finance Department

The Children's Trust
Capital Asset Statistics
(Unaudited)
Last Ten Fiscal Years

	Fiscal Years									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Computers:										
Computers	33	32	9	9	2	2	-	-	-	-
Laptops	39	39	86	88	94	94	66	34	46	46
Printers	16	16	21	21	21	21	20	13	13	13
Servers	21	21	29	29	33	33	2	2	2	2
Routers	8	8	10	10	13	13	6	9	9	9
Software/licenses	8	8	6	12	17	18	6	6	6	6
Other	37	37	7	7	2	3	3	4	4	4
	<u>162</u>	<u>161</u>	<u>168</u>	<u>176</u>	<u>182</u>	<u>184</u>	<u>103</u>	<u>68</u>	<u>80</u>	<u>80</u>
Furniture and Equipment:										
Projectors	9	7	2	2	6	6	6	5	5	5
Televisions	-	-	-	-	-	-	3	3	3	3
Telephones	9	9	2	2	-	-	-	-	-	-
Chairs/desks	10	8	8	8	8	8	8	8	8	8
Cameras	-	-	-	-	2	2	2	2	2	2
Boating equipment	9	8	8	8	-	-	-	-	-	-
Dental equipment	4	-	39	39	39	39	39	39	39	39
Playground/sports equipment	15	9	13	13	9	9	1	1	1	1
Kitchen equipment	6	6	6	6	1	1	-	-	-	-
Vehicles	-	-	-	-	-	-	-	1	1	1
Air Conditioning Units	-	-	-	-	-	-	1	1	1	1
Other furniture & equipment	20	18	13	13	9	11	8	6	6	6
	<u>82</u>	<u>65</u>	<u>91</u>	<u>91</u>	<u>74</u>	<u>76</u>	<u>68</u>	<u>66</u>	<u>66</u>	<u>66</u>
Total	<u>244</u>	<u>226</u>	<u>259</u>	<u>267</u>	<u>256</u>	<u>260</u>	<u>171</u>	<u>134</u>	<u>146</u>	<u>146</u>

Data Source:

The Trust's Finance Department

Compliance Section



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Finance and Operations Committee, Members of the Board
of Directors and the Chief Executive Officer
The Children's Trust

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of The Children's Trust (the Trust) as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated **March XX, 2022**.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Miami, FL

March XX, 2022

DRAFT

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Finance and Operations Committee, Members of the Board
of Directors and the Chief Executive Officer
The Children's Trust

Report on the Financial Statements

We have audited the financial statements of The Children's Trust (the Trust), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated **March XX, 2022**.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated **March XX, 2022**, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Children's Trust is a special independent taxing district established pursuant to Section 1.01(A)(11) of the Miami-Dade County Home Rule Charter, Ordinance #02-247 of Miami-Dade County and Section 125.901 of the Florida Statutes. There are no component units.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Trust met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Trust did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Trust. It is management's responsibility to monitor the Trust's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. The assessment was done as of the fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Trust reported:

- a. The total number of employees compensated in the last pay period of the Trust's fiscal year as 83.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Trust's fiscal year as 304.

- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$6,725,811.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$5,593,018.
- e. Each construction project with a total cost of at least \$65,000 approved by the Trust that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as; none.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Trust amends a final adopted budget under Section 189.016(6), Florida Statutes, as noted in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Trust reported:

- a. The mileage rate or rates imposed by the Trust as .4507.
- b. The total amount of ad valorem taxes collected by or on behalf of the Trust as \$140,156,043.
- c. The total amount of outstanding bonds issued by the Trust and the terms of such bonds as \$0.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Finance and Operations Committee, the Board Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Miami, FL
March XX, 2022

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO
SECTION 218.415 FLORIDA STATUTES**

To the Finance and Operations Committee, Members of the Board
of Directors and the Chief Executive Officer
The Children's Trust

We have examined The Children's Trust's (the Trust) compliance with Section 218.415 Florida Statutes during the fiscal year ended September 30, 2021. Management of the Trust is responsible for the Trust's compliance with the specified requirements. Our responsibility is to express an opinion on the Trust's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Trust complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Trust complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Trust's compliance with specified requirements.

In our opinion, the Trust complied, in all material respects, with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2021.

This report is intended to describe our testing of compliance with Section 218.415 Florida Statutes and it is not suitable for any other purpose.

Miami, FL
March XX, 2022



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TheChildrensTrust.org

Mission

The Children's Trust partners with the community to plan, advocate for and fund strategic investments that improve the lives of all children and families in Miami-Dade County.