Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2018

The Children's Trust

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

The Children's Trust

Because All Children Are Our Children

THE CHILDREN'S TRUST

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2018

Issued By:

James R. Haj
President & Chief Executive Officer

Prepared By the Finance Department:

William Kirtland, CPA, Chief Financial Officer
Wendy Duncombe, CPA, Controller

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Introductory Section

The Children's Trust

The Children's Trust

March 12, 2019

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of The Children's Trust, Miami, Florida (The Trust), for the fiscal year ended September 30, 2018. 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 CAFR'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 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 that are necessary to enable the reader to gain an understanding of The Trust's financial activities have been included.

Marcum, LLP independent auditors, have issued an unmodified opinion of The Trust's financial statements for the fiscal year ended September 30, 2018. 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 and to 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 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 other members serve two-year terms.

The Trust's mission is to "partner with the community to plan, advocate 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."

Operational Leadership:

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.

In 2018, The Trust renewed a strategic plan that was previously adopted in 2014, which aligned with The Trust's five-year competitive funding cycle; implementation of the new plan began in 2018 with recommendations to fund over 340 direct-service contracts. The strategic plan aims to continue collaboration, transparency and accountability to the community and is designed to be a flexible, living document to guide The Trust in responding to community needs. While the centerpiece of The Trust's investment strategy is funding direct services, we recognize and acknowledge that children do not live in programs, but rather in families and communities. To this effect, The Trust is committed to engaging other funders, and the larger community, as we embark on operationalizing the new strategic plan and shared vision.

Economic Conditions and Outlook:

With all of its rich diversity, Miami-Dade County is a wonderful place to live, work and raise a family. Its appeal includes a diverse association of multi-ethnic communities. As has been the case across the nation and international community, the County was deeply affected by the economic decline experienced in 2008, when many systemic imbalances sparked by a global recession. Now ten years into the post-recession era, it is apparent that the domestic and international drivers of the local economy indicate the County is strategically poised to sustain its economic prosperity that began in late 2010.

Based upon current availability of data, by nearly all broad measures, the Miami-Dade County economy is strong.

The Data presented below is provided by the *Labor Market Report 2018:Q3* of the *Miami-Dade Department of Regulatory & Economic Resources Planning Research & Economic Analysis.*

Overall Labor Market Highlights

- The Miami-Dade County Unemployment Rate in the third quarter was 4.1%, down from 4.7% a year earlier.
- There were 57,724 residents unemployed in the third quarter, about 7,600 fewer than the third quarter of last year.
- Total nonfarm employment grew 2.8% over the last year to total 1.2 million workers in 2018: Q3.
- The fastest growing industries year over year were Construction, up 17.1%, Manufacturing, up 16.6%, and Transportation, Warehousing and Utilities.
- Miami-Dade average weekly earnings fell from $818.95 in 2017: Q3 to $805.94 in 2018: Q3.
- Average weekly hours worked in Miami-Dade increased from 34.1 hours per week a year ago to 35.3 hours per week in 2018: Q3.

Industry Employment Data

Overall employment between 2012 and 2017 within the top employing industries indicate varying levels of growth. The top two industry clusters, Hospitality and Tourism, and Life Sciences and Health Care, captured almost two-thirds, 65%, of the total target industry employment. The ranking and details of each industry are as follows:

1. Hospitality and Tourism
    - Employed 143,000 jobs, growing 3.3% annually
2. Life Sciences and Health Care
    - Employed 133,700 jobs, growing 1.5% annually
3. International Banking and Finance
    - Employed 46,400, growing 1.4% annually
4. Trade and Logistics
    - Employed 38,800, growing 3.8% annually
5. Creative Design
    - Employed 26,700, growing 2.9% annually
6. Aviation
    - Employed 25,400, growing 3.8% annually
7. Information Technology
    - Employed 8,900, growing 5.6% annually

Industry Wage Data

The average annual wage for all target industry clusters in Miami-Dade combined was $65,400 in 2017. Most industry clusters saw wage growth over the five-years from 2012 to 2017. The ranking and details of each industry are as follows:

1. International Banking and Finance
    - Highest average annual wage, at $106,600
    - However, it was the only industry to see the annual wage fall, down 0.2% annually.
2. Information Technology
    - Average annual wage of $96,600, increased 0.9% annually
3. The Creative Design
    - Average annual wage of $77,100, increased 2.4% annually
4. Aviation
    - Average annual wage of $53,400, increased 2.5% annually
5. Life Sciences and Health Care
    - Average annual wage of $52,600, increased 2.5% annually
6. The Trade and Logistics
    - Average annual wage of $46,300, increased 0.5% annually
7. Hospitality and Tourism
    - Average annual wage of $25,400, increased 0.4% annually

Industry Establishments
The data presented below represents the number of establishments between 2012 and 2017. The ranking and details of each industry are as follows:

1. Life Sciences and Health Care
    - Largest number of total establishments of all target industries
    - 8,100 entities, which fell 0.6% annually
2. Hospitality and Tourism
    - 7,200 entities, with an average increase of 1.1% annually
3. International Banking and Finance
    - 4,500 entities, with an average increase of 1.3% annually
4. Creative Design
    - 3,600 entities, with an average increase of 0.9% annually
5. Trade and Logistics
    - 2,900 entities, with an average increase of 2.7% annually
6. Information Technology
    - 1,800 entities, with an average increase of 3.5% annually
7. Aviation
    - 500 entities, with an average increase of 1.6% annually

The following sections are based upon the most current availability of data, and have been reported in the previous fiscal year, however, there is no available data as of a more current date than those reported below. The Data presented below is provided by the *Labor Market Report 2016:Q4* of the *Miami-Dade Department of Regulatory & Economic Resources Planning Research & Economic Analysis.*

Real Estate Markets
Recent real estate markets indicate the following highlights:

- According to the Miami Association of Realtors (MAR), the volume of home sales continued to slow, with the number of single-family home sales in 2016:Q4 down 1.3% from the fourth quarter of the previous year, with 3,193 sales. The number of condo or townhome sales was down over 17.5% from a year earlier to 3,129. Cash sales in the single-family market were down nearly 23% from a year earlier as the cash-share of all sales dropped 29%. In the condo/townhouse market, the number of cash sales fell 27.5% year over year, but still accounted for more than half, 57.4%, of all sales in the fourth quarter.

- MAR reports home prices have continued to increase despite the slowdown in sales. The median sale price of single-family home ($308,000) was up 14% in the fourth quarter of 2016 compared to a year earlier. The condo/townhouse median sale price ($212,500) was up 6% from the fourth quarter of 2015.

- The S&P Case-Shiller housing price index continues to indicate the greatest housing price appreciation is occurring in the lowest tier of the market. The aggregate Miami MSA index rose 5.3% year over year in the fourth quarter. The index for the lowest priced tier in the MSA (less than $243,000) was up 15.1% year over year. In the highest tier (greater than $363,000), the index was up 4.0% from the fourth quarter of 2015.

- Housing affordability in Miami-Dade County continues to worsen. The housing affordability index for Miami-Dade County in 2016:Q4 declined 12.9% over the same quarter last year to 87.2, meaning the median household income is enough to afford only 87.2% of a mortgage on a median-priced home without becoming cost-burdened. This index does not take into account other costs of homeownership, such as taxes, insurance and utilities. Unlike Miami-Dade County, the national affordability index of 166.2 showed a much more affordable housing market.

- The Zillow Rental Price Index in the single-family market was down 8.0% in the fourth quarter compared to a year earlier, and it was also down by 6.2% in the multifamily market and 8.3% for condo/co-op markets. The rental price index has dropped for three quarters in a row. A drop in this index indicates greater affordability in the rental market.

- Homes in the negative equity as a share of all mortgaged homes also continued to decline rapidly in the fourth quarter of 2016, down from 15.2% to 11.1% of all mortgaged homes.

- The office market vacancy rate fell 9.3% since the fourth quarter of 2015 to the fourth quarter of 2016. The fourth quarter rate by submarket ranged from a high of 16.7% in Miami Lakes to a low of 0.0% in Hialeah Gardens. There was 2 million square feet (SF) of office space under construction in the fourth quarter, with more than 450,000 SF in the airport area, 318,000 SF in the Downtown Miami market, and 284,000 SF in Coral Gables. The average office lease rate countywide in the fourth quarter was $30.30/SF, ranging from $42.72/SF in Brickell to $13.50/SF in Hialeah Gardens.

- The industrial/flex space market has remained a strong county performer. The vacancy rate from 4.3% to 3.6%, and ranged from 8.2% in the South Central market area to 1.4% in the South-Dixie-Highway market area. The average Miami-Dade County industrial and flex lease rate in the fourth quarter of 2016 was $11.19/SF. Rates ranged from a high of $25.34/SF in the South Central industrial submarket to $7.65/SF in the North Miami Beach submarket. The Medley submarket, northwest of the airport along Okeechobee Road (US 27), accounted for 42% of all industrial construction in the fourth quarter with 1.8 million SF under construction. The MIA-west market had 1.2 million SF under construction in the fourth quarter.

- The retail real estate market is divided into shopping centers and stand-alone. The vacancy rate for space in centers in the fourth quarter of 2016 inched up from 3.4% to 3.5% countywide. It ranged from a high of 46.3% in the Brickell submarket, which saw more than 500,000 SF of space delivered to the market in the quarter, to a low of 0.1% in Coral Gables. Lease rates in shopping centers were up about 3.4% countywide in the fourth quarter from 2015, from $30.16/SF to $31.20/SF. They ranged from a high of $121.23/SF in the Brickell submarket to a low of $16.84/SF in the Hialeah Gardens submarket. Construction of shopping center space in the fourth quarter of 2016 totaled 1.4 million SF, comprised of more than 450,000 SF in Downtown Miami, 440,000 SF by the airport, and 294,000 SF in Medley/Hialeah.

- The vacancy rate for stand-alone retail space countywide was up year over year, from 3.2% in the fourth quarter of 2015 to 3.6% in the fourth quarter of 2016. The Hialeah Gardens submarket had the highest vacancy rate at 15.9%, while the lowest rate (0.6%) in Miami Lakes. Aventura also had very low vacancy rate (0.9%). Lease rates in the fourth quarter of 2016, countywide, were up 5.4% to $38.12/SF. The highest rates were again in Brickell (at $99.19/SF). The lowest rates were in South Dade at $15.31/SF. Construction of stand-alone retail space Countywide in the fourth quarter of 2016 totaled 1.35 million SF. The Northeast Dade submarket, with 324,000 SF under construction accounted for 24% of the total. The Downtown submarket had 244,000 SF and the Miami submarket had 210,000 SF under construction.

International Trade & Tourism

International trade is one of the major pillars of Miami-Dade County's economy. The county's total international trade by value ended 2016 with growth, posting a 4.4% gain from one year earlier. The value of total trade value increased from $79.4 billion to $82.9 billion. The increase was mainly fueled by total imports loaded through MIA and PortMiami, an increase of 11.8% to $40.7 billion while total exports dropped 1.9% to $42.2 billion.

The total inbound and outbound trade by value through PortMiami ranked 12th among all containerized seaports and through MIA ranked 5th among all airports in 2016. The top three trading partners with Miami-Dade County were South America, Central America and Caribbean, and Europe with total trade merchandise accounting for more than 79% of all trade. South America, and Central America and Caribbean experienced a decline in trade, dropping 1.2% and 2.3% to $32 billion and $18.4 billion respectively, while Europe trade activity surpassed $15.1 billion, a solid increase of 21% in 2016. Looking at trade by commodity, the largest gains were seen in machinery commodities, totaling $13.5 billion in 2016 or an increase of 1.8% from 2015. Transportation ranked 2nd among all commodities, exceeding the prior year's total of $13.02 billion by 0.5% to $13.09 billion. With this, the largest increase was seen at MIA, where transportation imports increased 22.4% to almost $26.2 billion.

In terms of trade volume, PortMiami ranked 14th among all seaports by container tonnage in 2016. The total trade traffic edged up very little with total volume traded in tonnage staying virtually unchanged, where 4.03 million tons of cargo was moved through the county in 2016, with a marginal increase of 1% from the year before.

Miami-Dade County emerged as the front-runner ending 2016 with strong growth, outperforming all ports (all U.S. ports) and the Southeast Coastal Ports (this does not include Miami-Dade County and a list of Southeast Coastal Ports can be found at the end of the report). Overall, Miami-Dade County grew 4.4% year-over-year with four of the six trade regions saw trade flourish while total ports dropped 2.9%, and Southeast Coastal Ports decreased 6.2% from 2015 to 2016.

Despite South America trade being the hardest hit at all ports, Miami-Dade County managed to outperform all ports, and other Southeast Coastal Ports by expanding import activities, with Asia-other and Europe, while limiting the contraction of trade with South America.

Budget and Fiscal 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. In 2018, the Board adopted a budget which maintained The Trust's millage rate at 0.4673 mills. The 2018 budget reflects an increase in revenues of 0%, $121.9 million.

Major Initiatives:

This year marked the continued implementation of the board's strategic plan and funding guidance, including priority investments made through 340 contracts (up from 281) with 191 agencies (up from 155) in the areas of:

- Parenting
- Early Childhood Development
- Youth Development
- Health & Wellness
- Family & Neighborhood Supports
- Community Awareness & Advocacy and
- Program & Professional Development.

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.

Spending over the past year has been in line with the board's priorities and the approved budget, and we were able to invest in a number of new programs across all initiatives.

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 have continued our commitment, both in number and quality, to the full participation of children with special needs in all programs we fund. Over the past few years, we have continued to learn from and about the community by partnering directly with residents through our community engagement team.

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 comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2017. This was the sixth 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 CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements:

We extend our sincere appreciation to the Finance and Operations Committee and The Trust's employees who have provided countless hours of research in the preparation and production of this report. Special thanks go to The Trust's management for understanding the importance of the financial status of The Trust; and, as such, diligently working 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	William Kirtland, CPA
President & Chief Executive Officer	Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The Children's Trust

Florida

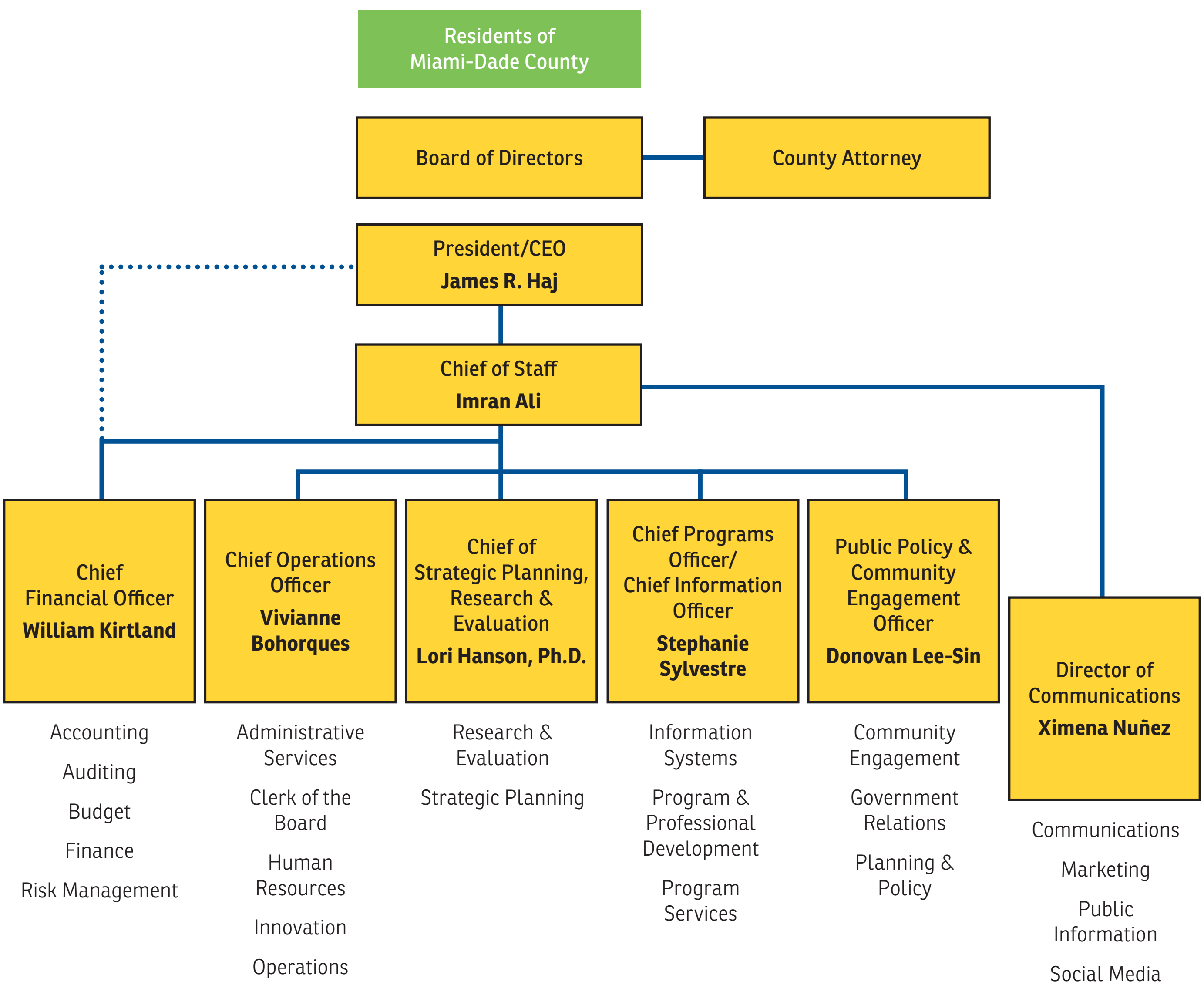
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrill

Executive Director/CEO

Organizational Chart



List of Principal Officials

OFFICERS/EXECUTIVE COMMITTEE

Kenneth C. Hoffman, Chair
Mark A. Trowbridge, Vice Chair
Steve Hope, Treasurer
Karen Weller, Secretary
Pamela Hollingsworth, Chair
Program Services &
Childhood Health
Gilda Ferradaz, At-Large
Marissa Joy Leichter, Esq., At-Large
Nelson Hincapie, At-Large

BOARD OF DIRECTORS

Magaly Abrahante, Ph.D.
Laura Adams
Daniel Bagner, Ph.D.
Sanford Bohrer
Rodester Brandon
Constance Collins, Esq.
Mary Donworth
Richard P. Dunn II
Rep. Nicholas Duran
Antonia P. Eyssallenne, M.D.
Hon. Carlos A. Giménez
Lourdes P. Giménez
Nicole Gomez
Mindy Grimes-Festge
Hon. Barbara Jordan
Tiombe Bisa Kendrick-Dunn
Maurice Kemp
Nancy L. Lawther, Ph.D.
Frank Manning
Susan Neimand, Ph.D.
Marta Pérez, Ph.D.
Hon. Orlando Prescott
Javier Reyes
Hon. Isaac Salver
Rita Vega

Financial Section

Independent Auditors' Report

The Children's Trust

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, 2018, 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.

MARCUMGROUP MEMBER

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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, 2018, and the respective changes in financial position, thereof 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 17, 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 12, 2019 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.

Marcum LLP

Miami, FL
March 12, 2019

Management's Discussion and Analysis (MD&A)

The Children's Trust

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 18 through 63.

Financial Highlights

An overview of significant financial information from fiscal year 2017-2018 includes:

- The Trust's total assets and deferred outflows of financial resources exceeded its total liabilities and deferred inflows of financial resources by $64,768,246 (net position).

- The Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement is effective for fiscal years beginning after June 15, 2017. The adoption of GASB 75 is reflected in the fiscal year 2017-2018 financial statements. As a result of the implementation of GASB 75, the net OPEB obligation based on GASB 45 was removed ($403,842) and the beginning total OPEB liability ($91,228) based on GASB 75 was recorded. This resulted in an increase in The Trust's net position at September 30, 2017.

- Total net position is comprised of the following:

  (1) Investment in capital assets of $256,827, which includes computers and furniture and equipment, net of accumulated depreciation; and
  (2) Restricted net position of $64,511,419, which reflects the portion of net position that pertains to The Trust's obligation for provider service contracts.

- The Trust's change in net position increased by $2,034,152 for an ending balance of $64,768,246; the increase is primarily related to incurring less than anticipated expenses for provider services.

- The Trust's expenses were $123,660,156 for an increase of 12.5% from the previous year; the increase is primarily related to spending $16.4 million or 17.6% more for direct service contracts.

- The Trust's governmental fund reported a total ending fund balance of $69,626,173; this compares to the prior year ending fund balance of $67,029,697, which represents an increase of $2,596,476.

- The Trust's governmental fund restricted fund balance totaled $69,558,123 and represents the net current financial resources that have been appropriated by the board for provider service contracts.

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 implementation of GASB Statement No. 75 had an effect on The Trust's liabilities as it relates to reporting the total OPEB liability and consequently impacted The Trust's net position.

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. However, as The Trust is strategically engineering a decrease in its net position over the next few years, a decrease in net position is not necessarily an indication of deteriorating financial health. 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 18 and 19 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, and it is classified as a governmental fund.

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 provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 20 through 23 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 24 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.

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, 2018		September 30, 2017	
	Amount	**% of Total**	**Amount**	**% of Total**
Assets				
Current assets	$ 92,190,094	99.7%	$ 83,208,675	99.6%
Capital assets	256,827	0.3%	350,841	0.4%
Total assets	92,446,921	100.0%	83,559,516	100.0%
Deferred outflows	2,763,986	100.0%	3,057,044	100.0%
Liabilities				
Current liabilities	22,695,237	76.9%	16,221,382	68.1%
Long-term liabilities	6,825,908	23.1%	7,587,402	31.9%
Total liabilities	29,521,145	100.0%	23,808,784	100.0%
Deferred inflows	921,516	100.0%	386,296	100.0%
Net position				
Investment in capital assets	256,827	0.4%	350,841	0.6%
Restricted	64,511,419	99.6%	62,070,639	99.4%
Total net position	$ 64,768,246	100.0%	$ 62,421,480	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, 2018, the current ratio for governmental activities is 4.06 to 1 as compared to 5.13 to 1 at September 30, 2017.

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Total Assets

Total assets were $92,446,921 at September 30, 2018 and consists of two components: current assets and capital assets.

Current Assets – the largest component of current assets was investments, which represents $80,680,672, or 87.5%, of total assets at September 30, 2018. This amount compares to total investments of $58,924,168, or 70.8%, of total assets at September 30, 2017. The increase in investments of 36.9% is primarily attributable to actual expenditures being less than budgeted as providers did not fully utilize their contracts as well as the timing of the expenditures occurring subsequent to September 30, 2018.

Capital Assets – computers and furniture and equipment, net of accumulated depreciation, totaled $256,827 at September 30, 2018 as compared to $350,841 at September 30, 2017. The net decrease of $94,014 is primarily 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 $2,763,986 at September 30, 2018 as compared to $3,057,044 at September 30, 2017.

Total Liabilities

Total liabilities consisted of several components and totaled $29,521,145 as of September 30, 2018.

The largest component of liabilities was accounts payable, which totaled $22,324,038 and $15,928,185 at September 30, 2018 and 2017, respectively, and accounted for 75.6% and 66.9% of total liabilities at September 30, 2018 and September 30, 2017, respectively. Payments due to providers represent the largest portion of accounts payable and were more than the prior year due to the combination of an increase in contract awards and 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 $6,402,705 and $6,801,923 at September 30, 2018 and September 30, 2017, respectively, and accounted for 21.7% and 28.6% of total liabilities at September 30, 2018 and September 30, 2017, respectively.

Accrued expenses represent salaries and fringe benefits payable and totaled $123,001, or less than 1% of total liabilities; whereas, accrued expenses totaled $116,882 at September 30, 2017.

Intergovernmental payable represents amounts due to the Florida Retirement System and totaled $66,882, or less than 1%, of total liabilities; whereas, intergovernmental payable totaled $133,911 at September 30, 2017.

Compensated absences payable represents vacation and sick leave earned but not taken by employees and totaled $447,459, or 1.5%, of total liabilities; whereas, compensated absences payable totaled $424,041 at September 30, 2017. The estimated current portion at September 30, 2018 is $44,746.

Total Other Post-Employment Benefits (OPEB) liability represents OPEB for eligible retirees for health insurance "implicit subsidy" premiums and totaled $107,060, or less than 1.7%, of total liabilities; whereas, OPEB obligation totaled $91,228 at September 30, 2017.

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 $921,516 at September 30, 2018 as compared to $386,296 at September 30, 2017.

Net Position

Net position is composed of two sections: Investment in capital assets and restricted net position. Net position totaled $64,768,246 at September 30, 2018 as compared to $62,734,094 at September 30, 2017, representing an increase of approximately $2 million as opposed to an increase of approximately $16.5 million in the prior fiscal year. The change in net position for fiscal year 2017-2018 is primarily attributable to providers not utilizing the full amount awarded for direct services. A number of factors contributed to the reduction in the change in net position when compared to the prior year. These factors included: a) The Trust adopted the rolled-back millage rate (which allows The Trust to collect the equivalent amount of ad valorem tax revenues that was collected in the previous fiscal year) of 0.4673, (a decrease from the millage rate of 0.5000 that was adopted in the prior year) and b) The board authorized an increase in expenses of approximately 8.4% from the prior fiscal year in effort to deliberately increase investments in children and families programs while prudently reducing net position. 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. It is anticipated that The Trust's net position will gradually decrease over time as The Trust continues to responsibly fund direct-services, utilizing its net position, with the overall combined goal of strategically reducing its net position and meeting the community needs for children's services.

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The following table provides a summary of The Trust's changes in net position at September 30, 2018 and 2017:

Summary of Changes in Net Position

	Governmental Activities			
	For the Fiscal Years Ended September 30,			
	2018		2017	
	Amount	% of Total	Amount	% of Total
Revenues:				
General:				
Ad valorem taxes	$ 122,509,168	97.5%	$ 121,452,284	96.1%
Investment earnings	1,397,650	1.1%	762,253	0.6%
Interlocal agreement	1,479,394	1.3%	3,978,199	3.1%
Miscellaneous	308,096	0.1%	227,140	0.2%
Total revenues	125,694,308	100.0%	126,419,876	100.0%
Program Expenses:				
Provider services	109,649,071	88.7%	93,207,918	84.8%
General administration:				
Personnel services	8,844,235	7.2%	9,087,197	8.3%
Materials and services	1,363,121	1.1%	1,396,526	1.3%
Interlocal agreement, property appraiser and tax collector fees	3,803,729	3.0%	6,220,217	5.7%
Total expenses	123,660,156	100.0%	109,911,858	100.0%
Change in Net Position	2,034,152		16,508,018	
Beginning Net Position, restated (See Note 4-E)	62,734,094		45,913,462	
Ending Net Position	$ 64,768,246		$ 62,421,480	

Governmental Activities Revenue

The Trust realized an increase in ad valorem taxes over the prior year by approximately $1.1 million, or 0.9%. This slight percentage increase is primarily attributable to The Trust having adopted the rolled-back rate of 0.4673 mills, allowing The Trust to collect the equivalent amount of ad valorem tax revenues that was collected in the previous fiscal year. The Trust is heavily reliant on property taxes to support governmental operations. During fiscal year 2017-2018, property taxes provided 97.5% of The Trust's total revenues as compared to 96.1% in fiscal year 2016-2017. Consequently, The Trust's dependence on property taxes remained fairly unchanged.

Governmental Activities Expenses

During fiscal year 2017-2018, total expenses increased by approximately $13.7 million, or 12.5%, when compared to fiscal year 2016-2017. The increase in expenses was primarily related to spending 17.6% more for direct service contracts, due to strategically investing in more programs for children and families.

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Governmental Fund Financial Statement Analysis

This section presents condensed financial information from the fund financial statements. The balance sheet is found on page 20 and the statement of revenues, expenditures and changes in fund balance is found on page 22.

The Trust completed its fifteenth year of operations with an ending fund balance of $69,626,173 as compared to $67,029,697 at September 30, 2017. Of this total, $68,050 is nonspendable at September 30, 2018 and the remaining balance of $69,558,123 is restricted for provider services.

Revenues

Fiscal year 2017-2018 represents the fifteenth year of The Trust's operations and the fourteenth year that The Trust levied ad valorem taxes. Revenues totaled $125.6 million as compared to $126.4 million reported in the previous year. The general classes of revenues reported include:

Ad valorem taxes - The Trust's primary source of revenue. The Trust levied .4673 mills on September 27, 2017. This levy resulted in revenue of $122.5 million, or 97.5%, of total revenues, which The Trust began receiving in November, 2017. The 2016-2017 levy of .5000 mills resulted in $121.41 million. This slight increase of approximately $1million is attributable to The Trust using the rolled-back rate of .4673 mills in order to collect the equivalent amount of ad valorem tax revenues that was collected in the previous fiscal year.

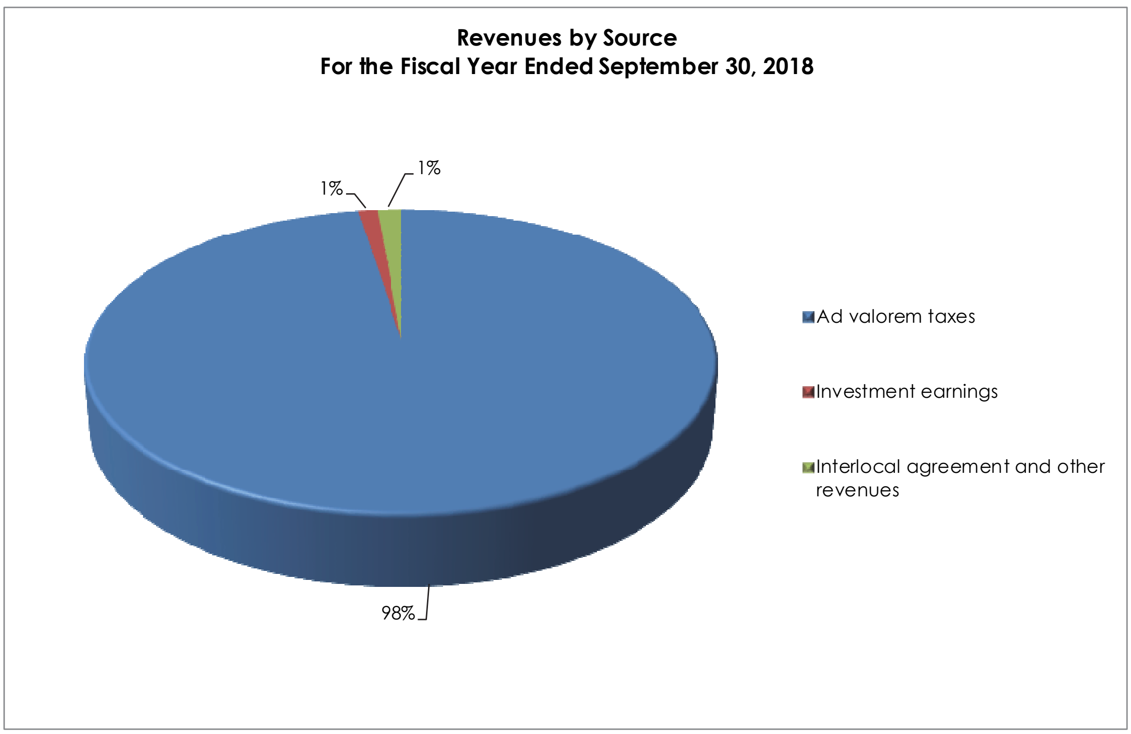
Investment earnings - Totaled $1,397,650. The Trust places most of its idle cash in money market funds and certificates of deposit. The increase is due to interest earned on additional investments as well as the increase in interest rates from the prior year.

Interlocal agreement – For the fiscal year ended September 30, 2018, 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 $1,479,394, or 100%, of the funds paid by The Trust in relation to the CRAs. During the fiscal year ended September 30, 2018, The Trust was notified that it became exempt from an agreement with a third CRA in which the CRA was required to return monies to The Trust that was remitted to the CRA. Consequently, revenues pertaining to the interlocal agreements decreased by approximately $2.5 million from the prior year as monies were not required to be remitted to the third CRA and, therefore, were not required to be returned. Detailed information on the CRA interlocal agreement can be found on page 62. The 2016-2017 CRA interlocal agreements revenue totaled $3,978,199.

Other revenue - The Trust recognized $308,096 for miscellaneous items.

The following table represents the revenues of The Trust for the fiscal years 2017-2018 and 2016-2017:

Revenue Source	Revenues by Source - Governmental Fund For the Fiscal Years Ended September 30, 2018	2017
Ad valorem taxes	$ 122,509,168	$ 121,452,284
Investment earnings	1,397,650	762,253
Interlocal agreement and other revenues	1,787,490	4,205,339
Total	$ 125,694,308	$ 126,419,876

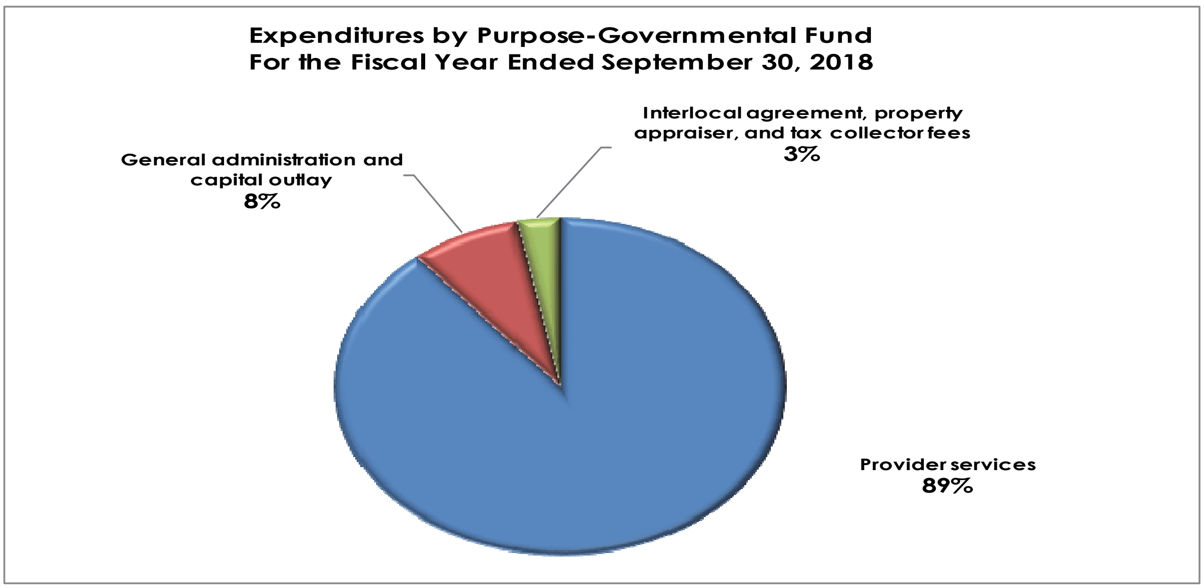


Expenditures

Expenditures of the governmental fund totaled $123,097,832 for fiscal year 2017-2018 as compared to $109,211,479 in fiscal year 2016-2017. The following table represents the expenditures of The Trust for fiscal years 2017-2018 and 2016-2017:

Expenditures - Governmental Fund

Purpose	For the Fiscal Years Ended September 30, 2018		2017	
Provider services	$	109,606,544	$	93,335,919
General administration and capital outlay		9,687,559		9,655,343
Interlocal agreement, property appraiser, and tax collector fees		3,803,729		6,220,217
Total	$	123,097,832	$	109,211,479



During its fifteenth year of operations, The Trust's total expenditures were 12.7% more than the previous year primarily due to spending 14.8% more for provider services. Total expenditures during fiscal year 2017-2018 were approximately $123 million, which represents an increase from the $109 million expended during fiscal year 2016-2017.

Provider services totaled approximately $109.6 million and accounted for 89.0% of The Trust's expenditures in fiscal year 2017-2018; whereas, provider services totaled approximately $93.3 million in fiscal year 2016-2017 for an increase of approximately $16.3 million, or 17.4%, from the prior year; this increase is primarily attributable to strategically investing more toward direct services for children and families. The Trust's major initiatives included:

- Youth development programs, which includes after-school programs and summer camps; reading enhancements; and youth enrichment, employment and supports, were awarded a significant amount of funding for the fifteenth consecutive year. Surveys show that parents place a high priority on these programs. In fiscal year 2017-2018, The Trust spent approximately $44.9 million, or 41.0%, of the total provider services expenditures on youth development programs.

- Health and wellness related programs had its twelfth consecutive year of operations in fiscal year 2017-2018. The Trust spent approximately $16.3 million, or 14.9%, of the total provider services expenditures for this initiative, which includes: comprehensive school-based health, insurance enrollment, injury prevention education and food and nutrition.

- Early Childhood Development programs, which entails quality counts child care quality improvement; early care and education slots; and developmental screening, assessment and early intervention, is another one of The Trust's major initiatives. During fiscal year 2017-2018, The Trust spent $16.3 million, or 14.9%, of total provider services expenditures for early childhood development programs.

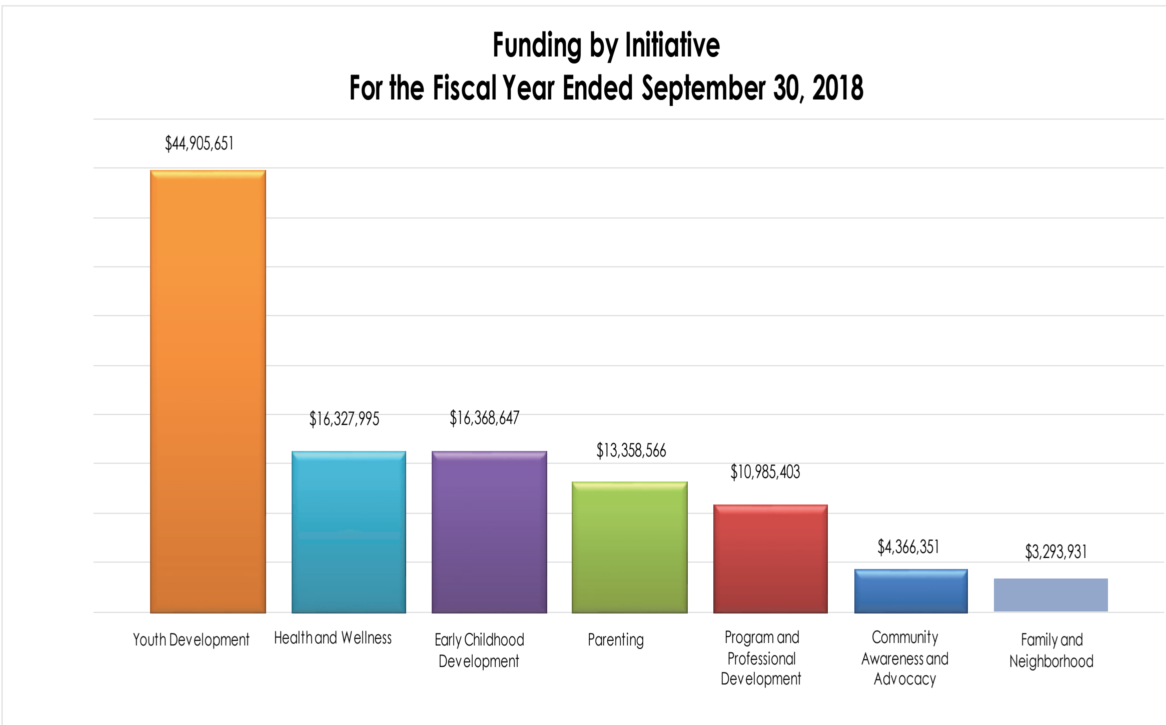
- Parenting programs includes promoting group parenting and advocacy as well as home visitation and individual parenting. During fiscal year 2017-2018, The Trust spent approximately $13.3 million, or 12.2%, of total provider services expenditures for parenting programs.

- Family and Neighborhood Supports programs aim to provide critical supports for children, youth and families facing specific challenging life experiences. During fiscal year 2017-2018, The Trust spent approximately $10.9 million, or 10.0%, 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; public awareness and program promotion; citizen engagement and leadership in effort to improve child and family conditions; and cross-funder collaboration of goals, strategies and resources. During fiscal year 2017-2018, The Trust spent approximately $4.3 million, or 4.0%, 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, program evaluation and community research, and innovation programs. During fiscal year 2017-2018, The Trust spent approximately $3.3 million, or 3.0%, of total provider services expenditures for program and professional development.

The chart below illustrates expenditures for provider services by initiative for fiscal year 2017-2018.



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.

General administration and capital outlay totaled $9,687,559 of The Trust's expenditures. Expenditures for staff salaries and benefits were approximately $8.4 million and accounted for 86.5% 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 $9,655,343 for fiscal year 2016-2017.

Other expenditures in fiscal year 2017-2018 were $3,803,729 and represented expenditures pertaining to the interlocal agreement to the two CRAs of $1,479,394 and to the property appraiser and tax collector of $2,324,335. More detailed information on the CRA interlocal agreement can be found on page 62. 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 2016-2017 were $6,220,217.

Capital Assets and Debt Administration

The Trust's investment in capital assets, net of accumulated depreciation, for governmental activities was $256,827 at September 30, 2018. Computer hardware and software represented $114,347 of this amount. The remaining balance represents The Trust's investment in furniture and equipment. 65.5% of the capital assets are depreciated. Additional information on The Trust's capital assets can be found on pages 30 (Note 1-E-4), 40 (Note 3-E), and 60 (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 prior to the acceptance of the annual financial audit and in accordance with time limitation of the Florida Statutes. The Trust's 2017-2018 annual budget was amended. The 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.

In fiscal year 2017-2018, variances between originally budgeted revenues of $126.2 million and actual revenues of $125.6 million were attributable to the net effect of the increase in the ad valorem tax revenues and investment and miscellaneous earnings, which were greater than the budgeted amount by $571,074 and 1,322,652, respectively, and the interlocal agreement revenue being less than the budgeted amount by $2,498,805.

Variances between total originally budgeted expenditures of $138.9 million and total actual expenditures of $123 million were primarily attributable to providers incurring less expenditures than initially budgeted by approximately $15.7 million. Conservatively, The Trust prepares its budget based on full contract award amounts; whereas, providers typically do not spend their awards at full value. Additionally, in the prior fiscal year, The Trust released a new funding initiative, and as is typical with new initiatives, in the first few years of releasing a new initiative the ramp up takes time for both The Trust and providers.

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. During the first five years of The Trust's operations, the County experienced a period of tremendous growth in property values and the tax base until 2008, when the final gross taxable value was $248 billion. The County's improving economic conditions are evident as the 2017-2018 final gross taxable value was $274 billion and the current valuation for fiscal year 2018-2019 is $292 billion, for an increase of $18 billion, or 6.6%.

In the 2018-19 fiscal year, the board, following the recommendation of its finance and operations committee to strategically and prudently draw down the fund balance, adopted the rolled-back rate of 0.4415 mills. This millage rate allows The Children's Trust to collect the equivalent amount of ad valorem tax revenues that was collected in the previous fiscal year. The 2018-2019 fiscal year millage rate was less than the prior year by .0258 mills. The Trust is authorized to levy up to .5000 mills. The board also authorized increased expenditures of 18.3% from the previous fiscal year. This will enable The Trust to deliberately increase investments in children and families programs by expanding it's reach in nearly all the areas prioritized by the board within the strategic plan.

The operating budget for fiscal year 2018-2019 is approximately $164.3 million, which is more than the previous year's operating budget of $138.9 million, by $25.4 million, representing a 18.3% increase. This increase was strategically planned for as The Trust released a new funding cycle in the prior fiscal year, making the new funding cycle 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 CAFR 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, 2018

	Governmental Activities
Assets	
Current Assets	
Cash	$ 10,746,911
Investments	80,680,672
Receivables:	
Property taxes	599,838
Grants	94,623
Prepaid items	68,050
Total Current Assets	92,190,094
Non-current Assets	
Capital assets being depreciated, net	256,827
Deferred Outflows of Financial Resources	
Pension Plans	
Florida Retirement System	2,344,008
Health Insurance Subsidy	419,978
Total Deferred Outflows of Financial Resources	2,763,986
Total Assets and Deferred Outflows of Financial Resources	95,210,907
Liabilities	
Current Liabilities	
Accounts payable	22,324,038
Accrued expenses payable	123,001
Intergovernmental payable	66,882
Unearned revenue	50,000
Compensated absences payable	44,746
Net pension liability:	
Health Insurance Subsidy	86,570
Total Current Liabilities	22,695,237
Long-Term Liabilities	
Compensated absences payable (net of current portion)	402,713
Net pension liability:	
Florida Retirement System	4,489,833
Health Insurance Subsidy (net of current portion)	1,826,302
Other post employment benefits (OPEB) liability	107,060
Total Long-Term Liabilities	6,825,908
Deferred Inflows of Financial Resources	
Pension Plans	
Florida Retirement System	455,220
Health Insurance Subsidy	466,296
Total Deferred Inflows of Financial Resources	921,516
Total Liabilities and Deferred Inflows of Financial Resources	30,442,661
Net Position	
Investment in capital assets	256,827
Restricted for:	
Provider services	64,511,419
Total Net Position	$ 64,768,246

See accompanying notes to the basic financial statements

The Children's Trust
Statement of Activities
For the Fiscal Year Ended September 30, 2018

		Governmental Activities
Expenses - Provider Services		
Provider services	$	109,649,071
General administration:		
Personnel services		8,844,235
Materials and services		1,363,121
Interlocal agreement, property appraiser and tax collector fees		3,803,729
Total Expenses - Provider Services		123,660,156
General Revenues:		
Ad valorem taxes		122,509,168
Investment earnings		1,397,650
Interlocal agreement		1,479,394
Miscellaneous		308,096
Total General Revenues		125,694,308
Change in Net Position		2,034,152
Net Position - Beginning of Year, Restated for GASB No. 75, - (See note 4-E)		62,734,094
Net Position - End of Year	$	64,768,246

See accompanying notes to the basic financial statements

The Children's Trust
Balance Sheet - Governmental Fund
September 30, 2018

	General Fund
Assets	
Cash	$ 10,746,911
Investments	80,680,672
Receivables:	
Property taxes	599,838
Grants	94,623
Prepaid items	68,050
Total Assets	$ 92,190,094
Liabilities and Fund Balance	
Liabilities	
Accounts payable	$ 22,324,038
Accrued expenditures payable	123,001
Intergovernmental payable	66,882
Unearned revenue	50,000
Total Liabilities	22,563,921
Fund Balance	
Nonspendable	68,050
Restricted	69,558,123
Total Fund Balance	69,626,173
Total Liabilities and Fund Balance	$ 92,190,094

See accompanying notes to the basic financial statements

The Children's Trust

Reconciliation of the Balance Sheet of Governmental Fund to the Government-wide Statement of Net Position

September 30, 2018

Total Governmental Fund Balance			$	69,626,173
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	$	745,358		
Less accumulated depreciation		(488,531)		256,827
Deferred outflows for pensions reported on the government-wide statement of net position but not reported on the balance sheet - govermental fund.				2,763,986
Deferred inflows for pensions reported on the government-wide statement of net position but not reported on the balance sheet - govermental fund.				(921,516)
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 liabilitiy	$	(107,060)		
Net pension liability payable		(6,402,705)		
Compensated absences payable		(447,459)		(6,957,224)
Net Position of Governmental Activities			$	64,768,246

See accompanying notes to the basic financial statements

Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended September 30, 2018

		General Fund
Revenues		
Ad valorem taxes		$ 122,509,168
Investment earnings		1,397,650
Interlocal agreement		1,479,394
Miscellaneous		308,096
Total Revenues		125,694,308
Expenditures		
Personnel:		
Salaries	$ 6,119,116	
Benefits	2,256,810	8,375,926
Provider services		109,606,544
Operating:		
Professional services	78,700	
Accounting/auditing/legal	319,875	
Other contractual services	62,848	
Travel, per diem and conferences	94,554	
Communications and freight services	120,343	
Rental and leases	385,803	
Insurance	67,269	
Postage and courier	5,428	
Printing and binding	12,572	
Office	10,056	
Operating	97,183	
Dues and fees	23,586	
Other current charges and obligations	1,191	1,279,408
Capital outlay		32,225
Non-operating allocations: Interlocal agreement, property appraiser and tax collector fees		3,803,729
Total Expenditures		123,097,832
Net Change in Fund Balance		2,596,476
Fund Balance - Beginning of Year		67,029,697
Fund Balance - End of Year		$ 69,626,173

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, 2018

Net Changes In Fund Balance - Total Governmental Fund		$ 2,596,476
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 capital outlays exceeded depreciation expense in the current period. The details are as follows:		
Capital outlay - Furniture and equipment	$ 7,225	
Capital outlay - Computers	25,000	
Capital outlay - Computers, Provider Services	23,278	
Depreciation expense	(149,517)	(94,014)
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.		(429,060)
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 increase in other post employment benefits payable (OPEB) liability is reported on the government-wide statement of activities but not in the governmental fund's operating statement.		
Liability at 9/30/2018	$ (107,060)	
Liability at 9/30/2017	91,228	(15,832)
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 9/30/2018	$ (447,459)	
Liability at 9/30/2017	424,041	(23,418)
Change In Net Position of Governmental Activities		$ 2,034,152

See accompanying notes to the basic financial statements

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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 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. 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 Children's 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 other 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.

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.

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 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 and all liabilities 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 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.

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 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.

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, if measurable. 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 Financial Resources, Liabilities, Deferred Inflows of Financial 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 10 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. Investments of The Trust are stated at fair value based upon quoted market prices. As of September 30, 2018, there were no investments categorized according to the fair market value hierarchy established by GASB Statement No. 72.

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, 2018 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 $1,000. 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

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, 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 (expenses/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.

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 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.

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

Minimum Fund Balance – In the General Fund, The Trust has a minimum fund balance policy whereby The Trust strives to maintain a minimum fund balance that is equivalent to two months of operating expenditures. This minimum amount is required to manage cash in-flows and out-flows, emergencies and other unforeseen events until tax revenue is received as The Trust is prohibited by Ordinance #02-247 of Miami-Dade County from issuing short-term debt instruments.

Net Position - Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position 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.

(Continued on the subsequent page)

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-10. Implementation of New GASB Standards

In fiscal year 2017-2018, The Trust implemented the following GASB Statements:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. Additional information concerning the implementation of GASB No. 75 can be found on page 63 (Note 4-E).

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The adoption of GASB No. 81 did not have an impact on The Trust's financial statements.

Statement No. 82, *Pension Issues—An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The adoption of GASB No. 82 did not have an impact on The Trust's financial statements.

Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The adoption of GASB No. 85 did not have an impact on The Trust's financial statements.

Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The adoption of GASB No. 86 did not have an impact on The Trust's financial statements.

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)

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, 2018, the balances of The Trust's cash deposits and certificates of deposit were $10,746,911 and $65,000,000, 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 Florida PRIME that is an investment pool created by Section 218.405 and 218.417, Florida Statutes. The Florida PRIME investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

The Local Government Surplus Funds Trust Fund 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").

The Local Government Surplus Funds Trust Fund 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 the Local Government Surplus Funds Trust Fund. 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 are stated at amortized cost. Florida PRIME is exempt from the GASB No. 72 fair value hierarchy disclosures. Additionally, the investment in the Florida PRIME are not insured by FDIC or any other governmental agency.

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 operation 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, the Investment Advisory Council, and the Participant Local Government 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 Executive Director may extend the moratorium 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, 2018, 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 – The Trust reports investments at fair value. 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 Appreciation, 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.

Note 3 - Detailed Notes on All Funds (Continued)

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

Certain investments, such as money market funds and Florida PRIME are not included in the fair value hierarchy as they are reported at amortized cost. Accordingly, The Trust does not maintain any investments subject to fair value measurement at September 30, 2018.

Investments, stated at their reported value, consist of the following at September 30, 2018:

Investment type	Amount
Certificates of deposit	$ 65,000,000
Money market investments	15,461,624
State Board of Administration:	
Florida Prime	219,048
Total	$ 80,680,672

Money Market Investments – The Trust's investment in money market accounts is held in a qualified public depository, as required by Chapter 280, Florida Statutes.

State Board of Administration Florida PRIME - Investments at September 30, 2018, were in the Florida PRIME with weighted average days to maturity (WAM) of 33 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).

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, 2018, The Trust invested in certificates of deposit, a money market account and in the State Board of Administration.

Note 3 - Detailed Notes on All Funds (Continued)

3-B. Receivables

Receivables at September 30, 2018, consisted of property taxes and grants. 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 2017-2018 on September 27, 2017. 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, 2017 upon which the fiscal year 2017-2018 levy was based was approximately $274 billion. The Trust levied .4673 mills, which resulted in tax revenue of $122,509,168 on the 2017 tax roll for fiscal year 2017-2018.

3-D. Prepaid Items

Prepaid items at September 30, 2018 consist of the following:

Insurance	$	56,620
Other		11,430
Total	$	68,050

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Capital Assets

Capital asset activity for the fiscal year ended September 30, 2018 for governmental activities was as follows:

Asset Class	Balance 10/1/2017	Additions	Deletions	Balance 9/30/2018
Governmental activities:				
Depreciable capital assets:				
Computers	$ 768,668	$ 48,278	$ 376,514	$ 440,432
Furniture and equipment	330,639	7,225	32,938	304,926
Total depreciable capital assets	1,099,307	55,503	409,452	745,358
Accumulated depreciation:				
Computers	582,970	119,629	376,514	326,085
Furniture and equipment	165,496	29,888	32,938	162,446
Total accumulated depreciation	748,466	149,517	409,452	488,531
Governmental activities capital assets, net	$ 350,841	$ (94,014)	$ -	$ 256,827

Governmental activities depreciation expense for the fiscal year ended September 30, 2018 amounted to $149,517 and where charged to provider services and materials and services for $65,806 and $83,711, respectively.

3-F. 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. Unearned revenue at September 30, 2018 amounted to $50,000.

Note 3 - Detailed Notes on All Funds (Continued)

3-G. 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, 2018:

	Outstanding 10/1/2017	Additions	Reductions	Outstanding 9/30/2018	Amounts Due in One Year
Governmental Activities:					
Compensated absences payable	$ 424,041	$ 131,668	$ 108,250	$ 447,459	$ 44,746
Net pension liability:					
Florida Retirement System	4,594,995	-	105,162	4,489,833	-
Health Insurance Subsidy	2,206,928	-	294,056	1,912,872	86,570
Total OPEB liability	91,228	15,832	-	107,060	-
Total Governmental Activities	$ 7,317,192	$ 147,500	$ 507,468	$ 6,957,224	$ 131,316

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

3-H. Operating Leases

On November 22, 2016, The Trust entered into a four-year operating lease agreement for office space. Beginning on the third year of the lease, a 2% increase occurs to the base rent per year. The lease has an additional one (1) year option for renewal with a 2% increase in the base rent. The lease provides for a "holdover" provision whereby the lease can be month to month if The Trust remains in possession of the premises after expiration of the lease. The month to month lease is equivalent to 100% of the monthly rent in effect immediately prior to expiration.

Expenditures for operating leases totaled $385,803 for the fiscal year ended September 30, 2018.

Future minimum lease payments for the lease are:

Fiscal Year Ending September 30,	Annual Payment
2019	$ 387,449
2020	395,392
2021	56,170
Total	$ 839,011

Note 3 - Detailed Notes on All Funds (Continued)

3-I. 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.

A comprehensive annual 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.

Note 3 - Detailed Notes on All Funds (Continued)

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.

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.

Note 3 - Detailed Notes on All Funds (Continued)

For Pension Plan members enrolled on or after July 1, 2011, Regular class members who retire at or after age 65 with at 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 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)
Regular Class members initially enrolled before July 1, 2011	
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
Regular Class members initially enrolled on or after July 1, 2011	
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
Senior Management Service Class	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.

Note 3 - Detailed Notes on All Funds (Continued)

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.

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 both the Pension Plan and the Investment Plan, 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 and Senior Management Service class, applicable to the last three fiscal years were as follows:

Employer Contribution Rates	Regular class	Senior Management Service Class
Effective 7/1/16	7.52%	21.77%
Effective 7/1/17	7.92%	22.71%
Effective 7/1/18	8.26%	24.06%

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, 2016, July 1, 2017 and July 1, 2018 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, 2016, July 1, 2017 and July 1, 2018, respectively.

Note 3 - Detailed Notes on All Funds (Continued)

The Trust's contributions, for FRS and HIS, inclusive of the Investment Plan, totaled $653,222 and employee contributions, totaled $171,832 for the fiscal year ended September 30, 2018.

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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2018, The Trust reported a liability for its proportionate share of the net pension liability of $4,489,833. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of July 1, 2018. The Trust's proportion of the net pension liability was based upon The Trust's 2017-2018 fiscal year contributions relative to the 2016-2017 fiscal year contributions of all participating members. At June 30, 2018, The Trust's proportion for FRS was .014906226%, which was a decrease from its proportion of .015534481% measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, The Trust recognized pension expense of $445,104 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	$ 380,356	$ 13,805
Changes in assumptions	1,467,059	-
Changes in proportion and differences between The Trust Pension Plan contributions and proportionate share of contributions	367,485	94,520
Net difference betweeen projected and actual earnings on Pension Plan investments	-	346,895
Contributions made subsequent to the measurement date	129,108	-
Total	$ 2,344,008	$ 455,220

Note 3 - Detailed Notes on All Funds (Continued)

The Trust contributions subsequent to the measurement date of $129,108 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, 2019.

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
2019	$ 707,177
2020	475,598
2021	98,848
2022	287,265
2023	171,797
Thereafter	18,995
Total	$ 1,759,680

Actuarial assumptions: The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Valuation date	July 1, 2018
Measurement date	June 30, 2018
Inflation	2.60%
Salary increases	3.25%, average, including inflation
Actuarial cost method	Individual entry age
Mortality	Generational RP-2000 with Projection Scale BB tables

The actuarial assumptions that determined the total pension liability as of June 30, 2018 were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Note 3 - Detailed Notes on All Funds (Continued)

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is 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%	2.9%	2.9%	1.8%
Fixed income	18%	4.4%	4.3%	4.0%
Global equity	54%	7.6%	6.3%	17.0%
Real estate	11%	6.6%	6.0%	11.3%
Private equity	10%	10.7%	7.8%	26.5%
Strategic investments	6%	6.0%	5.7%	8.6%
Total	100%			

(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.

Assumed Inflation - Mean			2.6%	1.9%

Discount Rate: The discount rate used to measure the total pension liability was 7.00%. 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.

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 7.00%, 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 (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease or 6.00%	Current Discount Rate 7.00%	1% Increase or 8.00%
The Trust's proportionate share of the net pension liability	$ 8,194,133	$ 4,489,833	$1,413,192

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 Comprehensive Annual Financial Report.

<u>Retiree Health Insurance Subsidy (HIS) Program</u>

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 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.

(Continued on the subsequent page)

Note 3 - Detailed Notes on All Funds (Continued)

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, 2016, July 1, 2017 and July 1, 2018. 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2018, The Trust reported a liability for its proportionate share of the net pension liability of $1,912,872. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of July 1, 2018. The Trust's proportion of the net pension liability was based upon The Trust's 2017-2018 fiscal year contributions relative to the 2016-2017 fiscal year contributions of all participating members. At June 30, 2018, The Trust's proportion for HIS was .018073048%, which was a decrease from its proportion measured of .020640039%, as of June 30, 2017.

For the fiscal year ended September 30, 2018, The Trust recognized pension expense of $100,113 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	$ 29,285	$ 3,250
Changes in assumptions	212,735	202,245
Changes in proportion and differences between The Trust HIS contributions and proportionate share of contributions	149,441	260,801
Net difference betweeen projected and actual earnings on HIS plan investments	1,155	-
Contributions made subsequent to the measurement date	27,362	-
Total	$ 419,978	$ 466,296

Note 3 - Detailed Notes on All Funds (Continued)

The Trust contributions subsequent to the measurement date of $27,362 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, 2019.

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
2019	$ 6,251
2020	6,154
2021	6,346
2022	(2,197)
2023	(39,238)
Thereafter	(50,996)
Total	$ (73,680)

Actuarial assumptions: The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2018
Measurement date	June 30, 2018
Discount rate	3.87%
Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.87%
Actuarial cost method	Individual entry age
Mortality	Generational RP-2000 with Projection Scale BB tables

Actuarial valuations for the HIS Program are conducted biennially. The July 1, 2018 HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for June 30, 2018. The actuarial assumptions used in the July 1, 2018, valuation was based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Note 3 - Detailed Notes on All Funds (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 3.87%. 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, and 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 3.87%, 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 (2.87%) or one percentage point higher (4.87%) than the current rate:

	1% Decrease or 2.87%	Current Discount Rate 3.87%	1% Increase or 4.87%
The Trust's proportionate share of the net pension liability	$ 2,178,649	$ 1,912,872	$ 1,691,331

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 Comprehensive Annual Financial Report.

(Continued on the subsequent page)

Note 3 - Detailed Notes on All Funds (Continued)

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 Comprehensive Annual 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 choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06%, effective July 1, 2016, July 1, 2017 and July 1, 2018, of payroll and by forfeited benefits of plan members.

Allocations to the investment member's accounts during the 2017-2018 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 $108,005 for the fiscal year ended September 30, 2018.

Note 3 - Detailed Notes on All Funds (Continued)

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, 2018, 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.

3-J. 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.

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended September 30, 2018, The Trust recognized pension and OPEB expense of $653,222 and $15,832, respectively, as a result of GASB No. 68, No. 71 and No. 75. Deferred outflows and inflows of resources related to pensions are as follows:

	FRS Pension	HIS Pension	Investment	Total
Deferred outflows	$ 2,344,008	$ 419,978	$ -	$ 2,763,986
Deferred inflows	455,220	466,296	-	921,516
Net pension liability	4,489,833	1,912,872	-	6,402,705
Pension expense	445,104	100,113	108,005	653,222
Total	$ 7,734,165	$ 2,899,259	$ 108,005	$ 10,741,429

(Continued on the subsequent page)

Note 3 - Detailed Notes on All Funds (Continued)

3-K. 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 that 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, 2017, the measurement date of the total OPEB liability, 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	61
Total	61

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.

Note 3 - Detailed Notes on All Funds (Continued)

Total OPEB Liability

The Trust's total OPEB liability of $107,060 was measured as of September 30, 2017 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs – The total OPEB liability in the September 30, 2017 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, 2017
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll -Closed
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	3.50%
Salary Increases	5.00%
Inflation	2.50%
Healthcare Cost Trend Rates	7% for fiscal year 2018, 6.5% for fiscal year beginning 2019 and gradually decreasing to an ultimate trend rate of 4.25%

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) calculation, the municipal bond rate is 3.50% (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 3.10% as of the beginning of the measurement year.

Note 3 - Detailed Notes on All Funds (Continued)

Changes in the Total OPEB Liability

Measurement Year Ended September 30,		**2018**
Total OPEB Libility		
Service Cost	$	15,448
Interest on the Total OPEB Liability		3,307
Changes of benefit terms		-
Difference between expected and actual experience of the Total OPEB Liability		-
Changes in assumptions and other inputs		(2,923)
Benefit payments		-
Net change in Total OPEB Liability		15,832
Total OPEB Libility - Beginning		91,228
Total OPEB Libility - Ending	$	107,060

Sensitivity of the Total OPEB Liability

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total The Trust's OPEB liability, calculated using the discount rate of 3.50% 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 (2.50%) or one percent higher (4.50%) than the healthcare cost trend rate:

	1% Decrease or 2.50%	Current Discount Rate Assumption 3.50%	1% Increase or 4.50%
Total OPEB Liability	$ 114,012	$ 107,060	$ 99,825

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 7.00% 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 (6.00%) or one percent higher (8.00%) than the healthcare cost trend rate:

	1% Decrease or 6.00%	Current Discount Rate Assumption 7.00%	1% Increase or 8.00%
Total OPEB Liability	$ 95,803	$ 107,060	$ 120,513

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the fiscal year ended September 30, 2018, The Trust recognized OPEB expense of $15,832. The Trust did not have any deferred outflows of resources or deferred inflows of resources related to OPEB at September 30, 2018.

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-L. Fund Equity

Fund Balance – Fund balance is classified as follows as of September 30, 2018:

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

General Fund:	
Prepaid items	$ 68,050

Restricted – The following fund balance is legally restricted to specified purpose:

General Fund:	
Provider services - contracts	$ 69,558,123

Note 3 - Detailed Notes on All Funds (Continued)

Investment in Capital Assets

The "*investment in capital assets*" amount as reported on the government-wide statement of net position as of September 30, 2018 is as follows:

Investment in capital assets:	Governmental Activities
Cost of capital assets	$ 745,358
Less accumulated depreciation	488,531
Investment in capital assets	$ 256,827

(Continued on the subsequent page)

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 $25,000 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, 2018, The Trust made the following contract commitments:

Youth Development	$ 51,048,959
Early Childhood Development	21,566,506
Health and Wellness	17,362,437
Parenting	14,260,616
Family and Neighborhood Supports	10,916,520
Supports for Quality Program Implementation	1,268,941
Cross-funder Collaboration of Goals, Strategies and Resources	776,194
Public Awareness and Program Promotion	613,000
Information Technology	429,990
Other	26,250
Total	$ 118,269,413

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 also had an interlocal agreement with the City of Miami Beach, The Miami Beach Community Redevelopment Agency and Miami-Dade County. During the fiscal year ended September 30, 2018, The Trust was notified that this agreement was amended whereby The Trust was exempted from pledging future tax increment revenues for the repayment of bonds or any new indebtedness.

The Trust revenues provided to the CRAs for the fiscal year ended September 30, 2018 were $1,479,394.

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, 2018, 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, 2018, The Trust awarded a total of $33.1 million to providers in which eleven Board of Directors members are considered to have a personal, financial or employment interest.

Note 4 - Other Notes (Continued)

4-E. Prior Period Adjustment

Due to the implementation of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions,* The Trust restated net position at September 30, 2017 at the government-wide financial statement financial reporting level.

Employees who retire from The Trust and their dependents are eligible to continue to participate in The Trust's health insurance benefits that are currently offered through The Trust at the "blended" employee group rate, which is determined annually by The Trust. The retiree must continue to meet all participation requirements and pay all applicable premiums by the specified due date.

The effect of the implementation of GASB No. 75 on net position as previously reported as of September 30, 2017 is a decrease of $312,614 and is adjusted as of September 30, 2017 as follows:

Total Net Position at September 30, 2017, as previously reported		$ 62,421,480
Prior Period Adjustments:		
Eliminate OPEB payable at September 30, 2017, as previously reported	$ 403,842	
Adjusted total OPEB liability at September 30, 2017, per GASB No. 75	(91,228)	312,614
Total Net Position at September 30, 2017, as restated		$ 62,734,094

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, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues and Beginning Fund Balance				
Ad valorem tax revenue	$ 121,938,094	$ 122,509,168	$ 122,509,168	$ -
Interlocal agreement	3,978,199	1,479,394	1,479,394	-
Investment earnings/miscellaneous	383,094	2,310,825	1,705,746	605,079
Fund balance, October 1, 2017	50,099,011	67,029,697	67,029,697	-
Total Revenues and Beginning Fund Balance	176,398,398	193,329,084	192,724,005	605,079
Expenditures				
Provider Services	122,387,408	122,387,408	109,606,544	12,780,864
Operating Expenditures:				
General Administration:				
Salaries and fringe benefits	8,648,930	8,648,930	8,375,926	273,004
Professional/legal/ other contracted services	575,000	575,000	461,423	113,577
Rent/insurance	580,000	580,000	453,072	126,928
Travel/communications	250,000	250,000	214,897	35,103
Supplies/postage/printing	150,000	150,000	126,430	23,570
Promotional/dues/miscellaneous	60,000	60,000	23,586	36,414
Total General Administration	10,263,930	10,263,930	9,655,334	608,596
Capital:				
Furniture & equipment	130,000	130,000	7,225	122,775
Computer software/hardware	25,000	25,000	25,000	-
Total Capital	155,000	155,000	32,225	122,775
Total Operating Expenditures	10,418,930	10,418,930	9,687,559	731,371
Non-operating Expenditures:				
Interlocal agreement	3,978,199	3,733,946	1,479,394	2,254,552
Property appraiser/tax collector fees	2,080,082	2,324,335	2,324,335	-
Total Non-operating Expenditures	6,058,281	6,058,281	3,803,729	2,254,552
Total Expenditures	138,864,619	138,864,619	123,097,832	15,766,787
Fund Balance, September 30, 2018	37,533,779	54,464,465	69,626,173	(15,161,708)
Total Expenditures and Ending Fund Balance	$ 176,398,398	$ 193,329,084	$ 192,724,005	$ 605,079

See accompanying notes to required supplementary information

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.

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 **	**2018**	**2017**	**2016**	**2015**	**2014**
The Trust's proportion of the net pension liability	0.014906226%	0.015534481%	0.014060833%	0.013228624%	0.012213546%
The Trust's proportionate share of the net pension liability	$ 4,489,833	$ 4,594,995	$ 3,550,371	$ 1,708,654	$ 745,206
The Trust's covered payroll	$ 5,956,845	$ 6,139,699	$ 6,203,369	$ 5,730,679	$ 5,381,763
The Trust's proportionate share of the net pension liability as a percentage of its covered payroll	75.37%	74.84%	57.23%	29.82%	13.85%
Plan fiduciary net position as a percentage of the total pension liability	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	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required contribution	$ 445,104	$ 403,300	$ 392,593	$ 433,456	$ 399,475
Contributions in relation to the contractually required contribution	445,104	403,300	392,593	433,456	399,475
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 6,030,881	$ 6,570,277	$ 6,247,195	$ 5,553,060	$ 5,591,926
Contributions as a percentage of covered payroll	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 **	2018	2017	2016	2015	2014
The Trust's proportion of the HIS net pension liability	0.018073048%	0.020640039%	0.019146054%	0.018357421%	0.018725739%
The Trust's proportionate share of the HIS net pension liability	$ 1,912,872	$ 2,206,928	$ 2,231,393	$ 1,872,168	$ 1,750,902
The Trust's covered payroll	$ 5,956,845	$ 6,139,699	$ 6,203,369	$ 5,730,679	$ 5,381,763
The Trust's proportionate share of the HIS net pension liability as a percentage of its covered payroll	32.11%	35.95%	35.97%	32.67%	32.53%
Plan fiduciary net position as a percentage of the total pension liability	1.64%	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	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required HIS contribution	$ 100,113	$ 109,067	$ 103,703	$ 75,614	$ 67,880
HIS contributions in relation to the contractually required HIS contributions	100,113	109,067	103,703	75,614	67,880
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 6,030,881	$ 6,570,277	$ 6,247,195	$ 5,553,060	$ 5,591,926
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.36%	1.22%

*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 Net OPEB Liability and Related Ratios
*Last Ten Fiscal Years**

September 30th**		**2017**
Total OPEB Liability		
Service Cost	$	15,448
Interest on the Total OPEB Liability		3,307
Changes of benefit terms		-
Difference between expected and actual experience of the Total OPEB Liability		-
Changes in assumptions and other inputs		(2,923)
Benefit payments		-
Net change in Total OPEB Liability		15,832
Total OPEB Liability - Beginning		91,228
Total OPEB Liability - Ending	$	107,060
Covered-Employee Payroll	$	6,030,881
Total OPEB Liability as a percentage of Covered-Employee Payroll		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:

2017
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

The Children's Trust

Introduction to Statistical Section

(Unaudited)

This part of The Children's Trust (The Trust) comprehensive annual 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	***Exhibits***
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 - IX
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.	X - XIII
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.	XIV-XV
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.	XVI-XVIII

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 financial report or comprehensive annual financial report for the applicable year, as appropriate. The Trust prepared a comprehensive annual financial report beginning with the fiscal year ended September 30, 2011.

Exhibit I

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities:										
Provider services	$ 114,147,600	$ 94,592,490	$ 86,534,096	$ 81,145,736	$ 82,478,370	$ 81,445,927	$ 80,517,056	$ 91,252,586	$ 93,207,918	$ 109,649,071
General administration:										
Personnel services	7,487,592	6,722,477	6,916,358	6,811,602	7,043,872	7,398,102	7,687,886	9,073,088	9,087,197	8,844,235
Materials and services	1,501,720	1,821,784	1,536,252	1,378,002	1,422,344	1,324,884	1,420,624	1,459,123	1,396,526	1,363,121
Interlocal agreement, property appraiser and tax collector fees	3,174,378	3,629,004	3,198,814	3,114,440	3,406,674	3,609,718	3,936,952	4,546,478	6,220,217	3,803,729
Total Expenses	126,311,290	106,765,755	98,185,520	92,449,780	94,351,260	93,778,631	93,562,518	106,331,275	109,911,858	123,660,156
General Revenues:										
Ad valorem taxes	98,074,886	104,402,410	90,188,436	89,450,069	88,846,224	93,382,166	100,978,419	109,390,359	121,452,284	122,509,168
Investment earnings (loss)	(865,284)	821,820	348,238	617,854	403,306	223,088	494,365	383,094	762,253	1,397,650
Interlocal agreement	2,148,663	2,527,904	2,354,120	2,154,336	2,446,570	2,659,187	2,933,304	3,455,550	3,978,199	1,479,394
Miscellaneous	20,368	2,391	17,994	60,948	84,530	138,070	147,746	164,392	227,140	308,096
Total General Revenues	99,378,633	107,754,525	92,908,788	92,283,207	91,780,630	96,402,511	104,553,834	113,393,395	126,419,876	125,694,308
Change in Net Position	$ (26,932,657)	$ 988,770	$ (5,276,732)	$ (166,573)	$ (2,570,630)	$ 2,623,880	$ 10,991,316	$ 7,062,120	$ 16,508,018	$ 2,034,152

Data Source:

Applicable years' annual financial report or comprehensive annual financial report, as appropriate. The Trust prepared a comprehensive annual financial report beginning with the fiscal year ended September 30, 2011.

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,									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Expenses:										
Provider services	90.4%	88.6%	88.1%	87.8%	87.4%	86.85%	86.1%	85.8%	84.7%	88.7%
General administration:										
Personnel services	5.9%	6.3%	7.0%	7.4%	7.5%	7.89%	8.2%	8.5%	8.3%	7.2%
Materials and services	1.2%	1.7%	1.6%	1.5%	1.5%	1.41%	1.5%	1.4%	1.3%	1.1%
Interlocal agreement, property appraiser and tax collector fees	2.5%	3.4%	3.3%	3.4%	3.6%	3.90%	4.2%	4.3%	5.7%	3.0%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
General Revenues:										
Ad valorem taxes	98.7%	96.9%	97.1%	96.9%	96.8%	96.9%	96.6%	96.5%	96.1%	97.5%
Investment earnings (loss)	-0.9%	0.8%	0.4%	0.7%	0.4%	0.2%	0.5%	0.3%	0.6%	1.1%
Interlocal agreement	2.2%	2.3%	2.5%	2.3%	2.7%	2.8%	2.8%	3.1%	3.1%	1.2%
Miscellaneous	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%
Total General 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 financial report or comprehensive annual financial report, as appropriate. The Trust prepared a comprehensive annual financial report beginning with the fiscal year ended September 30, 2011.

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

	September 30,									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Governmental Activities										
Investment in capital assets	$ 452,373	$ 355,663	$ 271,259	$ 340,777	$ 205,008	$ 249,216	$ 191,693	$ 296,006	$ 350,841	$ 256,827
Restricted	35,005,782	36,091,262	30,898,934	30,662,843	28,227,982	30,807,654	38,659,649	45,617,456	62,070,639	64,511,419
Total Governmental Activities	$ 35,458,155	$ 36,446,925	$ 31,170,193	$ 31,003,620	$ 28,432,990	$ 31,056,870	$ 38,851,342	$ 45,913,462	$ 62,421,480	$ 64,768,246

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 financial report or comprehensive annual financial report, as appropriate. The Trust prepared a comprehensive annual financial report beginning with the fiscal year ended September 30, 2011.

Exhibit III-A

The Children's Trust

Chart-Total Government-wide Net Position

(Unaudited)

Last Ten Fiscal Years

(accrual basis of accounting)

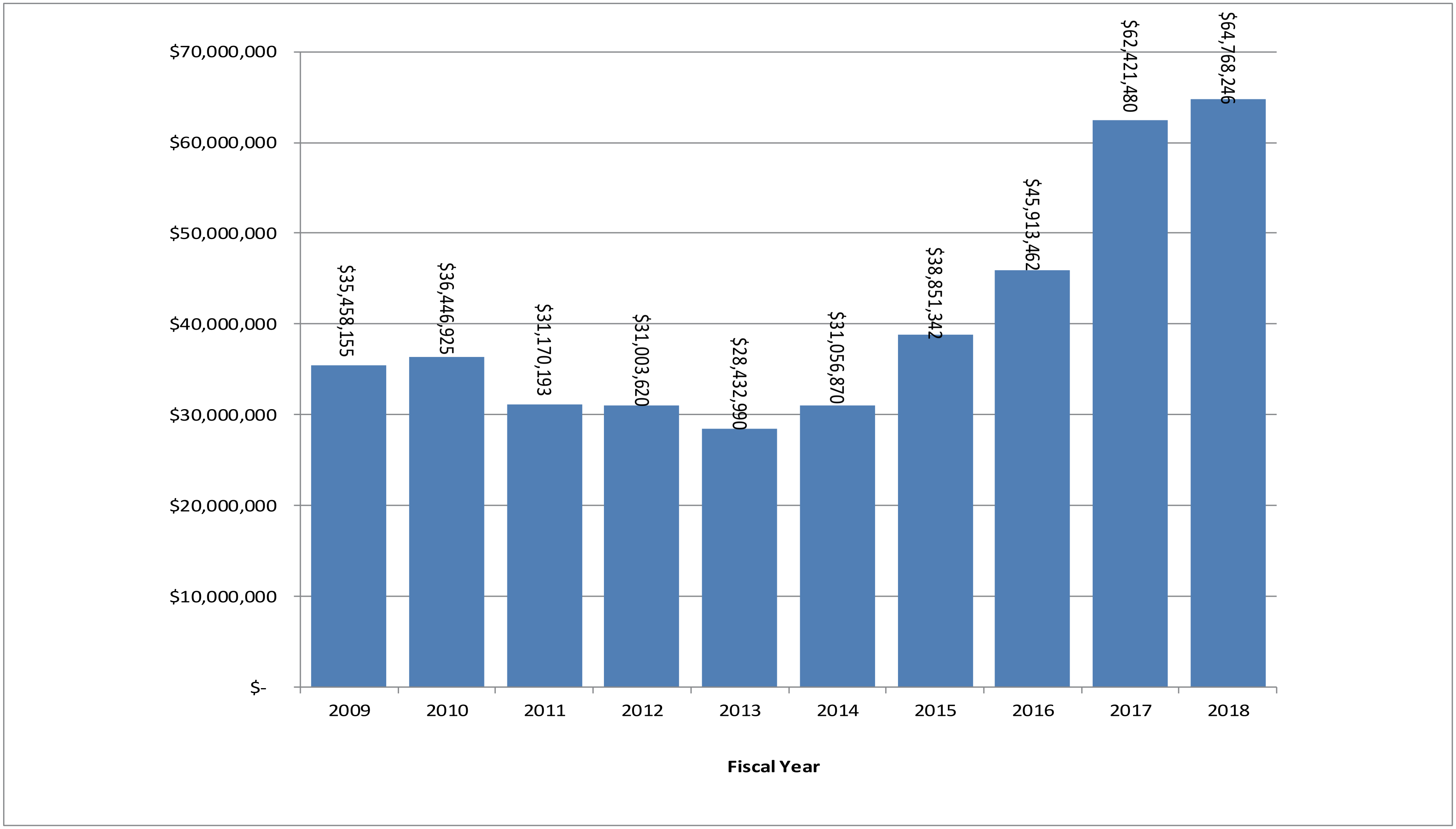


Exhibit IV

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	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Ad valorem taxes	$ 98,074,886	$ 104,402,410	$ 90,188,436	$ 89,450,069	$ 88,846,224	$ 93,382,166	$ 100,978,419	$ 109,390,359	$ 121,452,284	$ 122,509,168
Investment earnings (loss)	(865,284)	821,820	348,238	617,854	403,306	223,088	494,365	383,094	762,253	1,397,650
Interlocal agreement	2,148,663	2,527,904	2,354,120	2,154,336	2,446,570	2,659,187	2,933,304	3,455,550	3,978,199	1,479,394
Miscellaneous	20,368	2,391	17,994	60,948	84,530	138,070	147,746	164,392	227,140	308,096
Total Revenues	$ 99,378,633	$ 107,754,525	$ 92,908,788	$ 92,283,207	$ 91,780,630	$ 96,402,511	$ 104,553,834	$ 113,393,395	$ 126,419,876	$ 125,694,308
% change from prior year	-5.0%	8.4%	-13.8%	-0.7%	-0.5%	5.0%	8.5%	8.5%	11.5%	-0.6%
					Percentage of Total Revenues					
Ad valorem taxes	98.7%	96.9%	97.1%	96.9%	96.8%	96.9%	96.6%	96.5%	96.1%	97.5%
Investment earnings (loss)	-0.9%	0.8%	0.4%	0.7%	0.4%	0.2%	0.5%	0.3%	0.6%	1.1%
Interlocal agreement	2.2%	2.3%	2.5%	2.3%	2.7%	2.8%	2.8%	3.1%	3.1%	1.2%
Miscellaneous	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	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 financial report or comprehensive annual financial report, as appropriate. The Trust prepared a comprehensive annual financial report beginning with the fiscal year ended September 30, 2011.

Exhibit IV-A

The Children's Trust

Chart-Total General Governmental Revenues by Source

(Unaudited)

Last Ten Fiscal Years

(modified accrual basis of accounting)

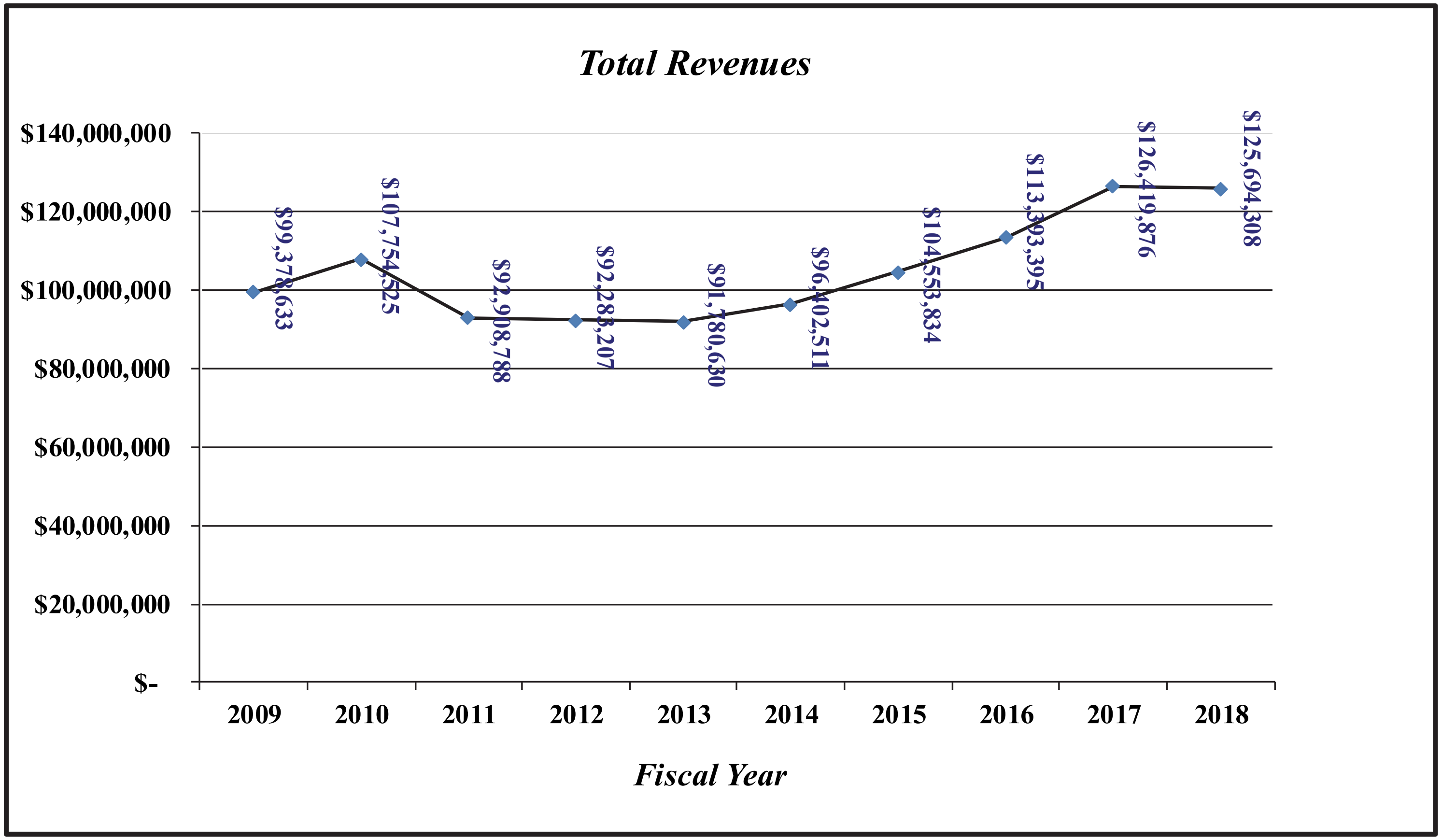


Exhibit V

The Children's Trust

General Governmental Expenditures by Function
(Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Fiscal Years Ended September 30,									
Function	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Current:										
Personnel Costs:										
Salaries	$ 5,657,387	$ 4,958,131	$ 4,979,708	$ 4,997,764	$ 5,181,763	$ 5,308,453	$ 5,491,478	$ 6,377,367	$ 5,977,428	$ 6,119,116
Benefits	1,832,701	1,730,735	1,865,616	1,769,013	1,792,276	1,993,583	2,143,426	2,316,538	2,354,555	2,256,810
Total personnel costs	7,490,088	6,688,866	6,845,324	6,766,777	6,974,039	7,302,036	7,634,904	8,693,905	8,331,983	8,375,926
% Change From Prior Year	6.5%	-10.7%	2.3%	-1.1%	3.1%	4.7%	4.6%	13.9%	-4.2%	0.5%
Provider Services	114,027,315	94,592,490	86,534,096	81,145,736	82,478,370	81,445,927	80,517,056	91,252,586	93,335,919	109,606,544
% Change From Prior Year	-8.6%	-17.0%	-8.5%	-6.2%	1.6%	-1.3%	-1.1%	13.3%	2.3%	17.4%
Operating:										
Professional services	150,376	152,214	85,068	104,436	103,124	82,034	115,990	153,662	35,132	78,700
Accounting/auditing/legal	261,565	263,747	263,781	223,101	221,075	218,235	213,595	216,492	319,297	319,875
Other contractual services	66,203	27,858	74,094	59,352	39,385	31,178	57,320	30,990	24,559	62,848
Travel, per diem and conferences	132,143	98,376	100,988	125,870	130,482	134,992	96,839	88,761	98,410	94,554
Communications and freight services	84,810	89,453	90,827	126,397	71,070	77,549	100,942	117,489	121,000	120,343
Rental and leases	524,880	558,292	571,776	533,471	478,203	493,757	502,221	510,852	474,133	385,803
Insurance	87,629	79,104	65,746	65,304	69,486	76,006	86,641	84,054	83,595	67,269
Postage and courier	14,565	11,985	12,473	8,504	10,197	10,532	9,521	8,893	7,775	5,428
Printing and binding	5,011	8,781	7,055	23,296	25,995	16,608	44,404	23,059	15,079	12,572
Office	43,845	33,175	32,956	29,712	22,996	20,204	23,638	18,256	8,368	10,056
Operating	84,372	220,187	51,315	108,207	74,608	76,840	64,909	73,502	64,412	97,183
Dues and fees	27,509	29,409	15,839	18,038	38,055	38,703	33,317	37,955	35,290	23,586
Other current charges and obligations	17,169	4,812	1,110	4,987	1,900	6,702	1,651	2,833	3,208	1,191
Total Operating	1,500,077	1,577,393	1,373,028	1,430,675	1,286,576	1,283,340	1,350,988	1,366,798	1,290,258	1,279,408
% Change From Prior Year	-12.9%	5.2%	-13.0%	4.2%	-10.1%	-0.3%	5.3%	1.2%	-5.6%	-0.8%
Capital Outlay	1,643	147,680	78,820	16,845	-	85,752	12,113	196,638	33,102	32,225
% Change From Prior Year	-98.1%	100.0%	-46.6%	-78.6%	-100.0%	100.0%	-85.9%	1523.4%	-83.2%	-2.6%
Non-operating Expenditures	3,174,378	3,629,004	3,198,814	3,114,440	3,406,674	3,609,718	3,936,952	4,546,478	6,220,217	3,803,729
% Change From Prior Year	5.7%	14.3%	-11.9%	-2.6%	9.4%	6.0%	9.1%	15.5%	36.8%	-38.8%
Total Expenditures	$ 126,193,501	$ 106,635,433	$ 98,030,082	$ 92,474,473	$ 94,145,659	$ 93,726,773	$ 93,452,013	$ 106,056,405	$ 109,211,479	$ 123,097,832
% Change From Prior Year	-7.6%	-15.5%	-8.1%	-5.7%	1.8%	-0.4%	-0.3%	13.5%	3.0%	12.7%

Data Source:

Applicable years' annual financial report or comprehensive annual financial report, as appropriate. The Trust prepared a comprehensive annual financial report beginning with the fiscal year ended September 30, 2011.

The Children's Trust

General Governmental Expenditures by Type

(Unaudited)

Last Ten Fiscal Years

(modified accrual basis of accounting)

	For the Fiscal Years Ended September 30,									
Type	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Current:										
Provider services	$ 114,027,315	$ 94,592,490	$ 86,534,096	$ 81,145,736	$ 82,478,370	$ 81,445,927	$ 80,517,056	$ 91,252,586	$ 93,335,919	$ 109,606,544
Personnel	7,490,088	6,688,866	6,845,324	6,766,777	6,974,039	7,302,036	7,634,904	8,693,905	8,331,983	8,375,926
Operating	1,500,077	1,577,393	1,373,028	1,430,675	1,286,576	1,283,340	1,350,988	1,366,798	1,290,258	1,279,408
Capital outlay	1,643	147,680	78,820	16,845	-	85,752	12,113	196,638	33,102	32,225
Non-operating	3,174,378	3,629,004	3,198,814	3,114,440	3,406,674	3,609,718	3,936,952	4,546,478	6,220,217	3,803,729
Total Expenditures	$ 126,193,501	$ 106,635,433	$ 98,030,082	$ 92,474,473	$ 94,145,659	$ 93,726,773	$ 93,452,013	$ 106,056,405	$ 109,211,479	$ 123,097,832
	Percentage of Total Expenditures									
Current:										
Provider services	90.4%	88.7%	88.3%	87.7%	87.6%	86.9%	86.2%	86.0%	85.5%	89.1%
Personnel	5.9%	6.3%	7.0%	7.4%	7.4%	7.8%	8.2%	8.2%	7.6%	6.8%
Operating	1.2%	1.5%	1.4%	1.5%	1.4%	1.3%	1.4%	1.3%	1.2%	1.0%
Capital outlay	0.0%	0.1%	0.1%	0.0%	0.0%	0.1%	0.0%	0.2%	0.0%	0.0%
Non-operating	2.5%	3.4%	3.2%	3.4%	3.6%	3.9%	4.2%	4.3%	5.7%	3.1%
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 financial report or comprehensive annual financial report, as appropriate. The Trust prepared a comprehensive annual financial report beginning with the fiscal year ended September 30, 2011.

Exhibit VI-A

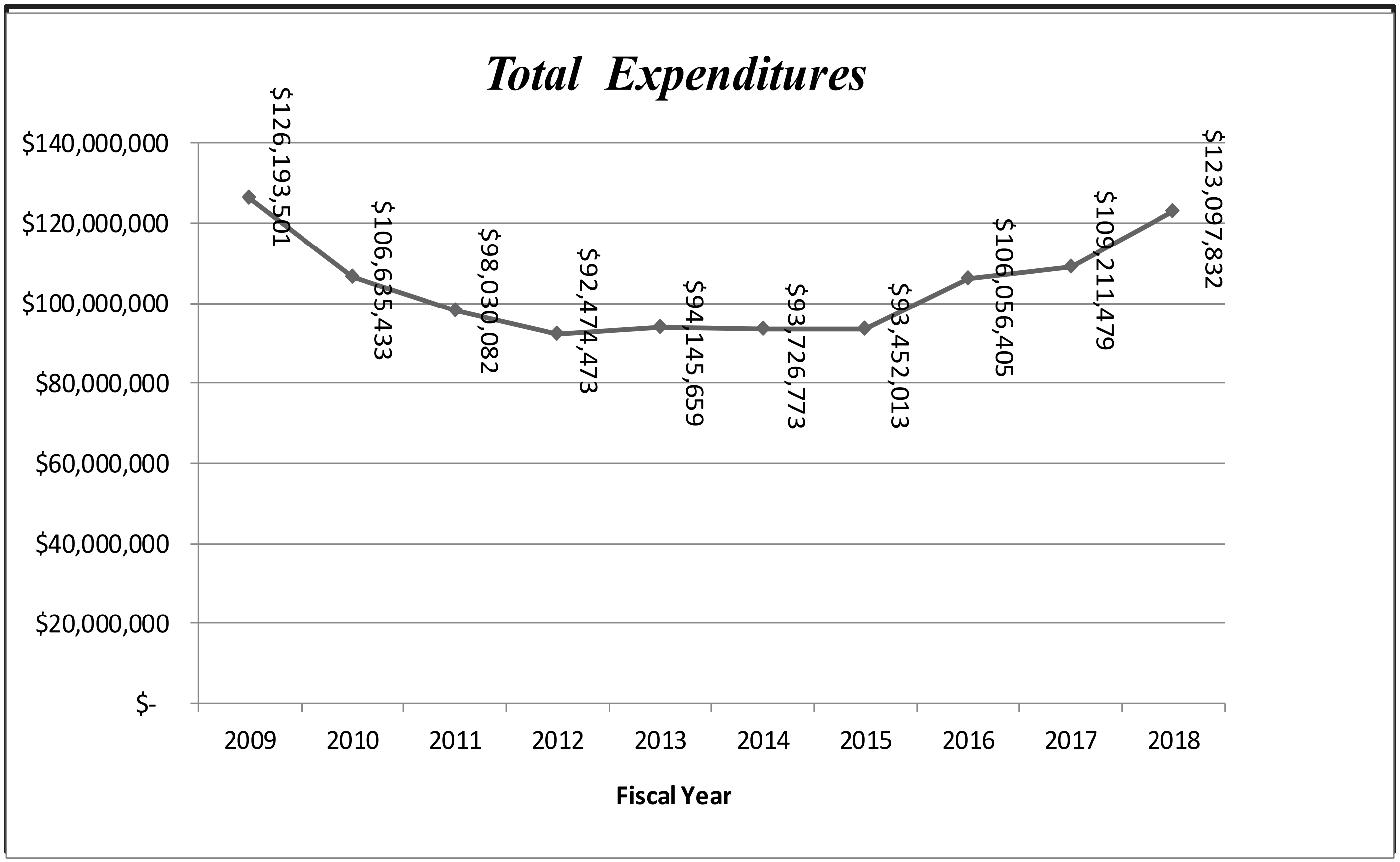
The Children's Trust

Chart-Total General Governmental Expenditures

(Unaudited)

Last Ten Fiscal Years

(modified accrual basis of accounting)



The Children's Trust

Summary of Changes in Fund Balances - Governmental Fund

(Unaudited)

Last Ten Fiscal Years

(modified accrual basis of accounting)

	For the Fiscal Years Ended September 30,									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Total Revenues	$ 99,378,633	$ 107,754,525	$ 92,908,788	$ 92,283,207	$ 91,780,630	$ 96,402,511	$ 104,553,834	$ 113,393,395	$ 126,419,876	$ 125,694,308
Total Expenditures	126,193,501	106,635,433	98,030,082	92,474,473	94,145,659	93,726,773	93,452,013	106,056,405	109,211,479	123,097,832
Net Change in Fund Balance	$ (26,814,868)	$ 1,119,092	$ (5,121,294)	$ (191,266)	$ (2,365,029)	$ 2,675,738	$ 11,101,821	$ 7,336,990	$ 17,208,397	$ 2,596,476

Data Source:

Applicable years' annual financial report or comprehensive annual financial report, as appropriate. TheTrust prepared a comprehensive annual financial report beginning with the fiscal year ended September 30, 2011.

The Children's Trust

Chart-Summary of Changes in Fund Balances - Governmental Fund

(Unaudited)

Last Ten Fiscal Years

(modified accrual basis of accounting)

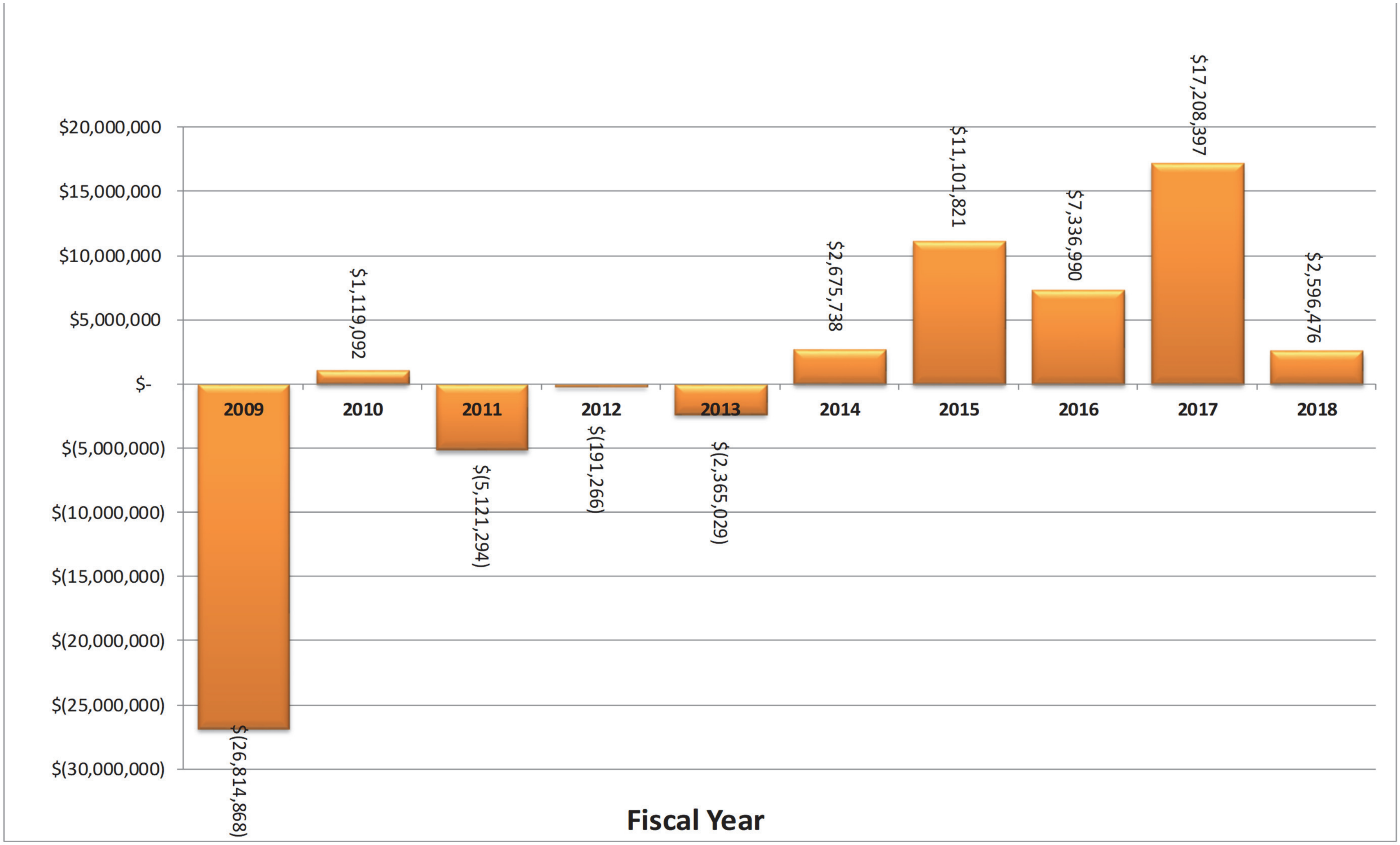


Exhibit VIII

The Children's Trust

Fund Balance - Governmental Fund - 2009 - 2010 [1 and 2]

(Unaudited)

Fiscal Years 2009-2010 [2]

(modified accrual basis of accounting)

	September 30,	
	2009	**2010**
General Fund		
Reserved:		
Restricted for contract commitments	$ 35,167,058	$ 36,301,425
Prepaid items	98,190	82,915
Total General Fund	$ 35,265,248	$ 36,384,340
General Fund % Change		
From Prior Year	-43.2%	3.2%

Notes:

[1] The Trust implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Definitions, in fiscal year 2011.

[2] The Trust did not restate the prior years.

Data Source:

Applicable years' annual financial report or comprehensive annual financial report, as appropriate. The Trust prepared a comprehensive annual financial report beginning with the fiscal year ended September 30, 2011.

The Children's Trust

Fund Balance - Governmental Fund - 2011 - 2018 [1]

(Unaudited)

Fiscal Years 2011-2018 [2]

(modified accrual basis of accounting)

	September 30,							
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
General Fund:								
Nonspendable:								
Prepaid items	$ 132,120	$ 91,516	$ 11,198	$ 4,094	$ 86,160	$ 38,727	$ 3,404	$ 68,050
Restricted:								
Contracts	31,130,926	30,980,264	28,695,553	31,378,395	42,398,150	49,782,573	67,026,293	69,558,123
Total General Fund	$ 31,263,046	$ 31,071,780	$ 28,706,751	$ 31,382,489	$ 42,484,310	$ 49,821,300	$ 67,029,697	$ 69,626,173
General Fund % Change From Prior Year	-14.1%	-0.61%	-7.61%	9.32%	35.38%	17.27%	34.54%	3.87%

Notes:

[1]The Trust implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Definitions, in fiscal year 2011.

[2]The Trust did not restate the prior years.

Data Source:

Applicable years' annual financial report or comprehensive annual financial report, as appropriate. The Trust prepared a comprehensive annual financial report beginning with the fiscal year ended September 30, 2011.

Exhibit X

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: Residential Property	Real Property: Commercial/ Industrial Property	Real Property: Government/ Institution	Personal Property	Total Actual and Assessed Value of Taxable Property	Exemptions [1]: Real Property Amendment 10 Excluded Value [2]	Exemptions [1]: Real Property Other Exemptions	Exemptions [1]: Personal Property	Total Taxable Assessed Value	Total The Children's Trust Tax Rate
2009	$ 256,121,227	$ 68,075,357	$ 24,094,571	$ 15,983,145	$ 364,274,300	$ 65,907,690	$ 54,811,315	$ 5,719,250	$ 237,836,045	0.4212
2010	204,558,802	63,836,984	23,228,078	15,570,290	307,194,154	36,876,680	53,394,520	5,474,737	211,448,217	0.5000
2011	160,866,687	57,774,400	23,438,756	15,472,772	257,552,615	15,861,969	52,348,084	5,436,067	183,906,495	0.5000
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	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
2017	227,472,227	99,304,057	28,085,673	18,910,820	373,772,777	46,537,562	72,520,564	5,442,748	249,271,903	0.5000
2018 [3]	240,897,924	108,796,610	29,629,048	19,409,929	398,733,511	50,050,209	72,264,142	5,495,424	270,923,736	0.4673

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 are estimates based on the First Certified 2018 Tax Roll issued in October 2017, prior to any adjustments processed by the Value Adjustment Board.

The Final Certified Tax Roll for 2018 has not been released as of the date of this report.

Data Source:

Miami-Dade County Property Appraiser

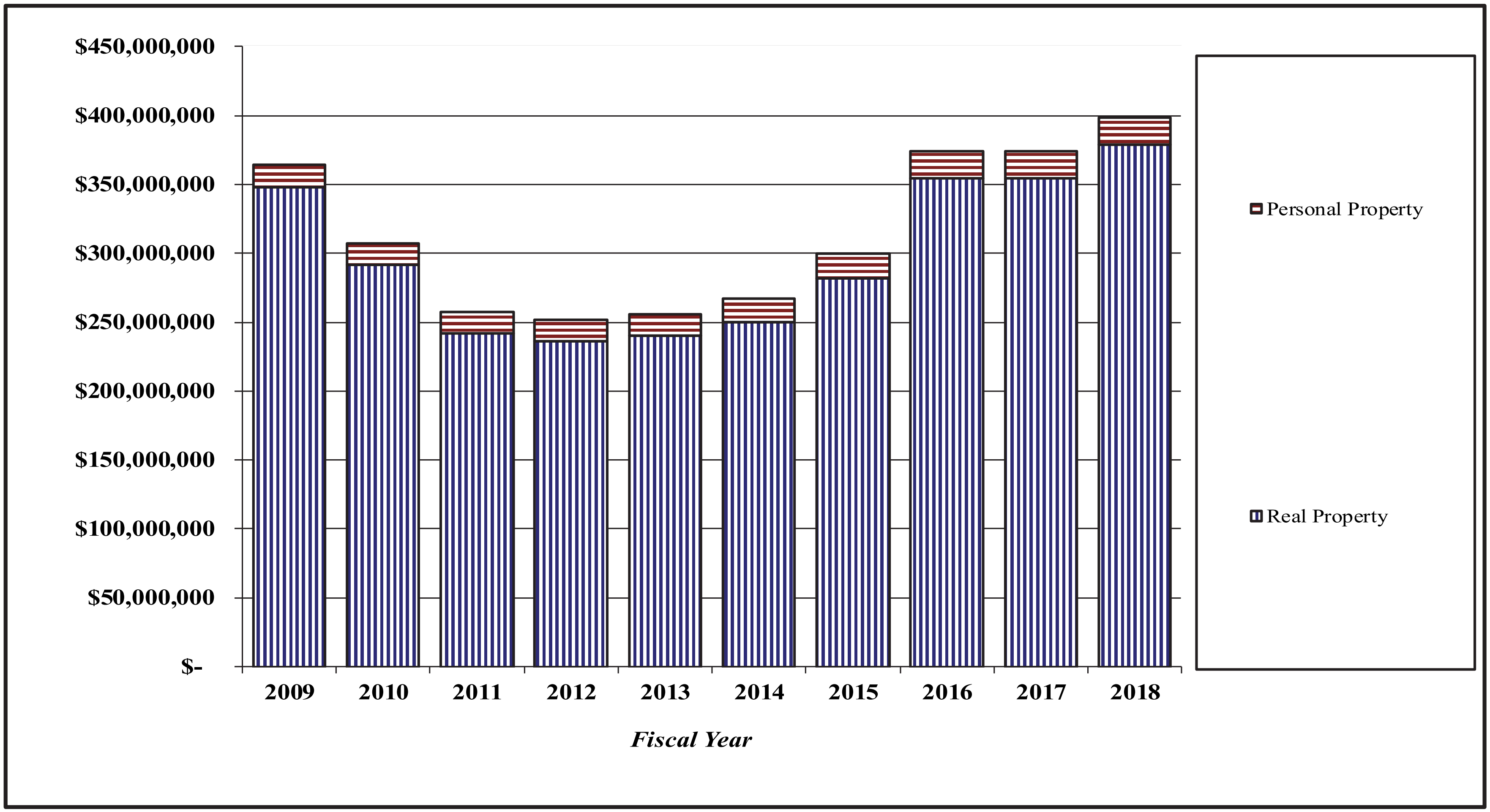
The Children's Trust

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)

	Direct [2]	Overlapping Rates [1]												Total Direct and Overlapping Millage
		Miami-Dade County			Miami-Dade County School Board									
Fiscal Year	The Children's Trust	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	
2009	0.4212	4.8379	0.2850	5.1229	7.5330	0.2640	7.7970	0.5346	0.0894	-	0.0345	2.1851	0.0420	16.2267
2010	0.5000	4.8379	0.2850	5.1229	7.6980	0.2970	7.9950	0.5346	0.0894	-	0.0345	2.1851	0.0420	16.5035
2011	0.5000	5.4275	0.4450	5.8725	7.8640	0.3850	8.2490	0.5346	0.0894	-	0.0345	2.5753	0.0200	17.8753
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	16.2700
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	15.8867
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	15.5321
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	15.1600

Notes:

[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

Exhibit XI-A

The Children's Trust

Chart-Direct and Overlapping Property Tax Rates

(Unaudited)

Last Ten Fiscal Years

(rate per $1,000 of assessed taxable value)

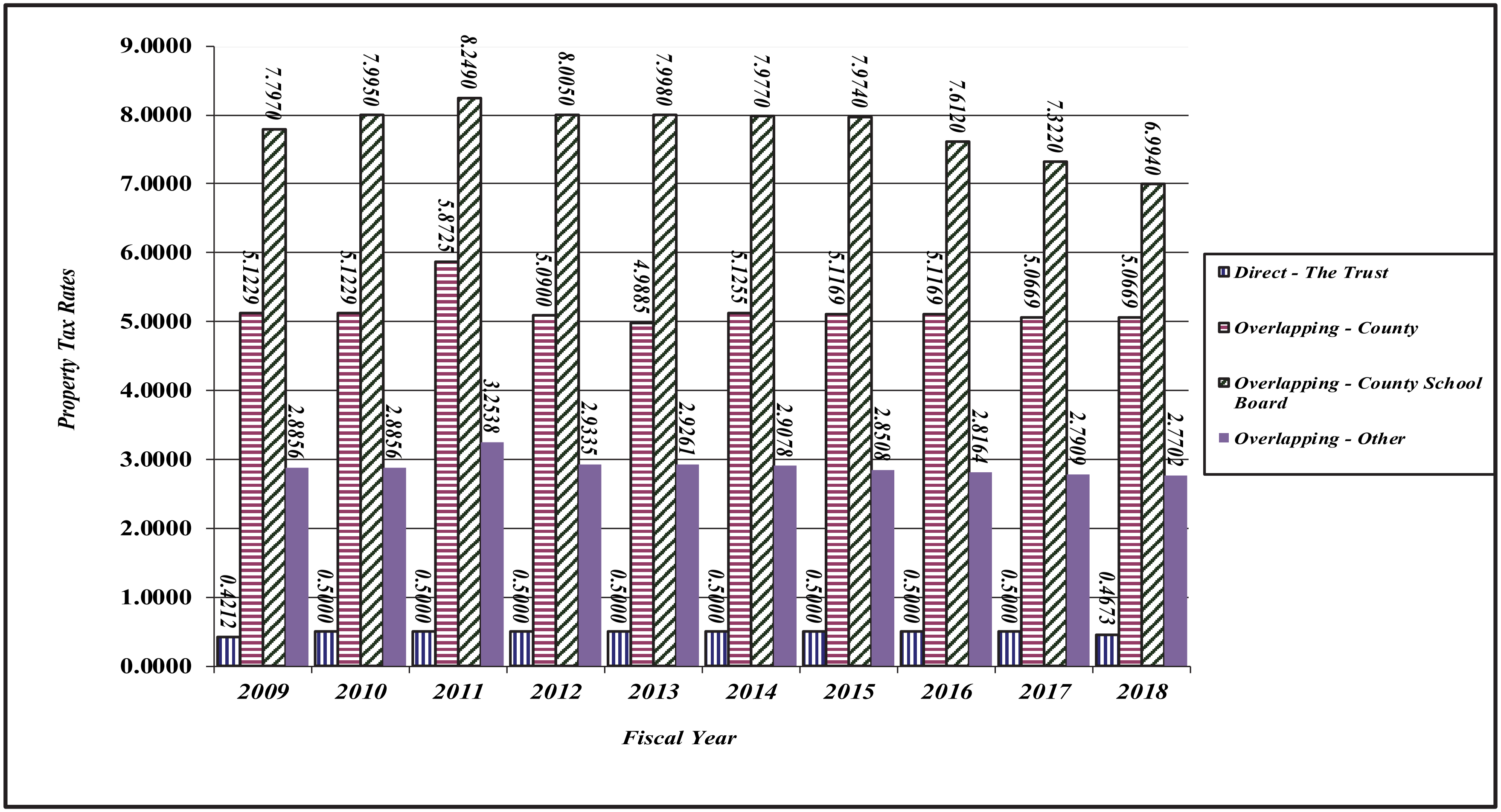


Exhibit XII

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
2009	$ 104,231,665	$ 98,074,886	94.09%	$ 6,156,779	5.91%
2010	111,968,137	104,402,410	93.24%	7,565,727	6.76%
2011	97,093,986	90,188,436	92.89%	6,905,550	7.11%
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%

Notes:

[1] Information pertaing 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

Exhibit XIII

The Children's Trust

Principal Real Property Taxpayers

(Unaudited)

Fiscal Years Ended September 30, 2018 and 2009

	2018				2009		
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	$ 5,625,736,082	1	2.08%	Florida Power & Light Company	$ 3,012,789,000	1	1.27%
Aventura Mall Venture Lessor	493,035,551	2	0.18%	Bellsouth Telecommunications, Inc.	595,914,000	2	0.25%
Bellsouth Telecommunications LLC	461,864,908	3	0.17%	Teachers Insurance & Annual Association of America	451,354,000	3	0.19%
SDG Dadeland Associates Inc.	419,163,547	4	0.15%	Century Grand LLP	408,438,000	4	0.17%
Pone Gadea Biscayne LLC	400,060,152	5	0.15%	Graham Companies	369,637,000	5	0.16%
Fontainebleau Florida Hotel LLC	399,198,535	6	0.15%	SDG Dadeland Associates Inc.	341,200,000	6	0.14%
The Graham Companies	386,168,350	7	0.14%	Aventura Mall Venture	316,800,000	7	0.13%
Dolphin Mall Assoc LTD Partnership	328,592,886	8	0.12%	200 S Biscayne	304,500,000	8	0.13%
Brickell City Centre Retail LLC	304,549,799	9	0.11%	MB Redevelopment	280,000,000	9	0.12%
Oak Plaza Associates (Del) LLC	248,104,884	10	0.09%	Dolphin Mall Assoc LTD Partnership	259,200,000	10	0.11%
Total Principal Taxpayers	9,066,474,694		3.35%	**Total Principal Taxpayers**	6,339,832,000		2.67%
All Other Taxpayers	261,857,261,671		96.65%	**All Other Taxpayers**	231,496,213,000		97.33%
Total	$ 270,923,736,365		100.00%	**Total**	$ 237,836,045,000		100.00%

Data Source:

Miami-Dade County Property Appraiser

Exhibit XIV

The Children's Trust

Demographic and Economic Statistics

(Unaudited)

Last Ten Calendar Years

Calendar Year	Population [1]	*(in $1,000)* Total Personal Income [2]	Per Capita Personal Income [2]	Median Age [1]	Unemployment Rate County [3]	Unemployment Rate State of Florida [3]	Unemployment Rate United States [4]
2009	2,398,245	$ 90,915,774	$ 37,909	39	8.9%	10.4%	9.3%
2010	2,563,885	92,227,399	35,972	38	12.0%	11.1%	9.6%
2011	2,516,515	97,815,794	38,870	38	12.7%	10.0%	8.9%
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	5.4%	4.9%	4.9%
2017	2,743,095	125,094,772	45,604	39	5.0%	4.4%	4.5%
2018	2,783,564	(1)	(1)	(1)	4.4%	3.7%	4.0%

Data Sources:

[1] 2009-2017, Miami-Dade County comprehensive annual financial report; 2018 estimated by management.

[2] 2009-2016, Miami-Dade County comprehensive annual financial report; 2017 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.

Exhibit XV

The Children's Trust
Principal Employers
(Unaudited)
For the Fiscal Years Ended September 30, 2018 and 2009

		2018		
Employer	**Type of Business**	**Number of Employees**	**% of Total Employment**	**Rank**
Miami-Dade County Public Schools	Education	31,000	21%	1
Miami-Dade County	Government	24,692	16%	2
U.S. Federal Government	Government	19,300	13%	3
Florida State Government	Government	19,200	13%	4
University of Miami	Education	13,864	9%	5
Baptist Health South Florida	Healthcare	13,369	9%	6
American Airlines	Aviation	11,773	8%	7
Jackson Health System	Healthcare	8,163	5%	8
Florida International University	Education	4,951	3%	9
City of Miami	Government	3,820	3%	10
Total Principal Employers		150,132	100%	

		2009		
Employer	**Type of Business**	**Number of Employees**	**% of Total Employment**	**Rank**
Miami-Dade County Public Schools	Education	38,819	23%	1
Miami-Dade County	Government	29,000	17%	2
U.S. Federal Government	Government	19,900	12%	3
Florida State Government	Government	16,100	10%	4
Jackson Health System	Healthcare	12,468	7%	5
University of Miami	Education	12,000	7%	6
Baptist Health South Florida	Healthcare	12,000	7%	7
Publix Super Markets	Retail	11,625	7%	8
American Airlines	Aviation	9,000	5%	9
Florida International University	Education	8,000	5%	10
Total Principal Employers		168,912	100%	

Data Source:

The Beacon Council, Miami, Florida, Miami Business Profile

Miami-Dade County, Florida 2016 & 2009 Comprehensive Annual Report

Exhibit XVI

The Children's Trust

Full-time Employees by Function/Program

(Unaudited)

Last Ten Fiscal Years

	Fiscal Years									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Function/program										
Executive	2	2	2	2	2	2	2	2	2	2
Programs	39	34	33	33	31	33	24	26	23	26
Operations	6	6	6	6	9	10	12	13	10	10
Finance	14	15	15	14	14	13	14	12	12	13
Research and Evaluation	10	9	9	9	11	11	13	13	13	15
Information Systems	8	7	8	9	8	8	7	3	4	5
Public Policy, Community Engagement and Communications	8	7	6	7	9	7	11	12	11	11
Total Employees	87	80	79	80	84	84	83	81	75	82
Percentage Change From Prior Year	-7.4%	-8.0%	-1.3%	1.3%	5.0%	0.0%	-1.2%	-2.4%	-7.4%	9.3%

Data Source:
The Trust's Finance Department

Exhibit XVII

The Children's Trust

Operating Statistics by Program

(Unaudited)

Last Ten Fiscal Years

	Fiscal Years									
Program	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
SUSTAIN AND EXPAND DIRECT SERVICES										
Parenting programs	22	17	17	22	21	22	31	31	35	48
Early childhood development	37	35	34	26	28	32	20	23	33	22
Youth development	202	192	179	142	139	128	112	113	119	175
Health and wellness	21	23	16	24	24	33	15	16	18	28
Family & neighborhood supports	11	12	15	15	15	23	22	21	18	21
Promotion and prevention services	-	-	-	-	-	-	-	-	-	-
Starter grants	-	-	-	-	-	-	-	-	-	-
Total sustain and expand direct services	293	279	261	229	227	238	200	204	223	294
COMMUNITY ENGAGEMENT AND ADVOCACY										
Promote public policy, advocacy prevention and legislative agendas	7	7	6	4	4	4	-	-	-	-
Public awareness and program promotion	-	-	-	-	-	-	-	-	-	-
Promote public citizen engagement and leadership to improve child and family conditions	-	-	-	-	-	-	3	3	3	-
Cross-funder collaboration of goals, strategies and resources	12	9	6	5	6	6	4	4	3	7
Total community engagement and advocacy	19	16	12	9	10	10	7	7	6	7
PROGRAM AND PROFESSIONAL DEVELOPMENT										
Support for quality program implementation	1	1	1	1	1	1	2	25	24	2
Information technology	-	-	-	-	-	-	-	-	-	-
Program evaluation and community research	11	9	5	5	4	1	1	-	-	-
Innovation lab	-	-	-	-	-	-	-	5	5	-
Total program and professional development	12	10	6	6	5	2	3	30	29	2
TOTAL	324	305	279	244	242	250	210	241	258	303

Data Source:

The Trust's Finance Department

Exhibit XVIII

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

	Fiscal Years									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Area										
Computers:										
Computers	66	66	39	33	32	9	9	2	2	-
Laptops	241	241	50	39	39	86	88	94	94	66
Printers	99	102	18	16	16	21	21	21	21	20
Servers	52	54	21	21	21	29	29	33	33	2
Routers	8	8	8	8	8	10	10	13	13	6
Software/licenses	6	8	13	8	8	6	12	17	18	6
Other	17	23	39	37	37	7	7	2	3	3
	489	502	188	162	161	168	176	182	184	103
Furniture and Equipment:										
Projectors	9	9	9	9	7	2	2	6	6	6
Televisions	-	-	-	-	-	-	-	-	-	3
Telephones	12	12	12	9	9	2	2	-	-	-
Chairs/desks	9	9	10	10	8	8	8	8	8	8
Cameras	-	-	-	-	-	-	-	2	2	2
Boating equipment	9	9	9	9	8	8	8	-	-	-
Dental equipment	2	2	4	4	-	39	39	39	39	39
Playground/sports equipment	15	15	15	15	9	13	13	9	9	1
Kitchen equipment	6	6	6	6	6	6	6	1	1	-
Air Conditioning Units	-	-	-	-	-	-	-	-	-	1
Other furniture & equipment	20	20	20	20	18	13	13	9	11	8
	82	82	85	82	65	91	91	74	76	68
Total	571	584	273	244	226	259	267	256	260	171

Data Source:
The Trust's Finance Department

Compliance Section

The Children's Trust

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORM4D 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, 2018, 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 12, 2019.

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) to determine the 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.

MARCUMGROUP
MEMBER

Marcum LLP ▪ One Southeast Third Avenue ▪ Suite 1100 ▪ Miami, Florida 33131 ▪ Phone 305.995.9600 ▪ Fax 305.995.9601 ▪ www.marcumllp.com

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 determination of financial statement amounts. 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.

Marcum LLP

Miami, FL
March 12, 2019

MARCUM
ACCOUNTANTS ▲ ADVISORS

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, 2018, and have issued our report thereon dated March 12, 2019.

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 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 12, 2019, 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.

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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 has 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.

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.

Marcum LLP

Miami, FL
March 12, 2019

MARCUM
ACCOUNTANTS ▲ ADVISORS

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, 2018. 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, 2018.

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.

Marcum LLP

Miami, FL
March 12, 2019

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The Children's Trust

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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.