

# The Children's Trust



## Monthly Financial Statements (Unaudited)

**For the eleven month ended August 31, 2018**

Prepared by : The Children's Trust Finance Department

Approved by:

A handwritten signature in blue ink, appearing to read "Bill Kirtland", is written over a horizontal line.

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

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

## 2017-18 Budget Highlights:

- The Children's Trust continues to emphasize the importance of program spending that provides critical services for children and families in our community.
- The Children's Trust will offer an additional \$10.1m during the fiscal year 2017-18 for services. In alignment with the strategic plan and the Board's guidance the funds will be allocated as follows:
  - Early Childhood Development \$4m
  - Youth Development \$3m
  - Parenting \$3m
  - Health & Wellness \$135k
- The Children's Trust is budgeting a net decrease in management (G&A) expenses of approximately \$317k, which is related to a decrease in budgeted positions and includes a merit increase. The Trust has now budgeted decreases in management expenses for 2 fiscal years, 2016-2017 (\$470k) and 2017-2018 (\$317k), totaling approximately \$788k.
- For the first time in 9 years, The Children's Trust has reduced the management (G&A) expenses to 7.5% of its total expenses.
- The Miami-Dade Property Appraiser reported an assessed tax roll of \$274.6 billion, which equates to approximately:
  - Based on 0.4673 millage rate (rolled-back rate), ad valorem tax revenue = \$121.9m, this represents a 0% tax increase. Adopting the rolled-back rate rather than the .5000 millage rate resulted in a net effect of \$8.5m less tax revenues.

## Additional Considerations:

### Property Tax Revenues

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

Month	FY 2018	FY 2017
October	0.0%	0.0%
November	4.5%	20.9%
December	72.6%	80.1%
January	82.3%	83.4%
February	86.5%	86.7%
March	89.0%	88.8%
April	93.6%	94.2%
May	95.1%	95.4%
June	98.3%	98.8%
July	98.5%	98.9%
<b>August</b>	<b>99.0%</b>	<b>99.0%</b>

During the fiscal year 2017, approximately \$8,000,000 additional revenues were collected due to increased overall Miami-Dade County property value. Interest earnings significantly increased due to the growth of interest rates and the additional cash holdings in Trust. If interest rates continue to increase during the fiscal year 2018, The Trust can expect a slight increase to interest earnings.

### *Operating Budget / Expenditures*

The Trust can expect a significant decrease to both non-operating expenditures and miscellaneous revenues due to the following:

- Early in fiscal year 2018 The Trust was informed from the CRA of Miami Beach that it will no longer be obligated to commit approximately \$2 million.
- The Trust budgeted the \$2 million obligation for the fiscal year 2018 before learning that the commitment had been satisfied. Payment has been made to the remaining CRAs which The Trust regularly commits funds to on an annual basis.
- The significant dollar variance (actual 2018 to actual 2019) in administration and non-operating reflects the decrease in obligation and payment to those CRAs.

### *Fund Balance / Drawdown Strategy*

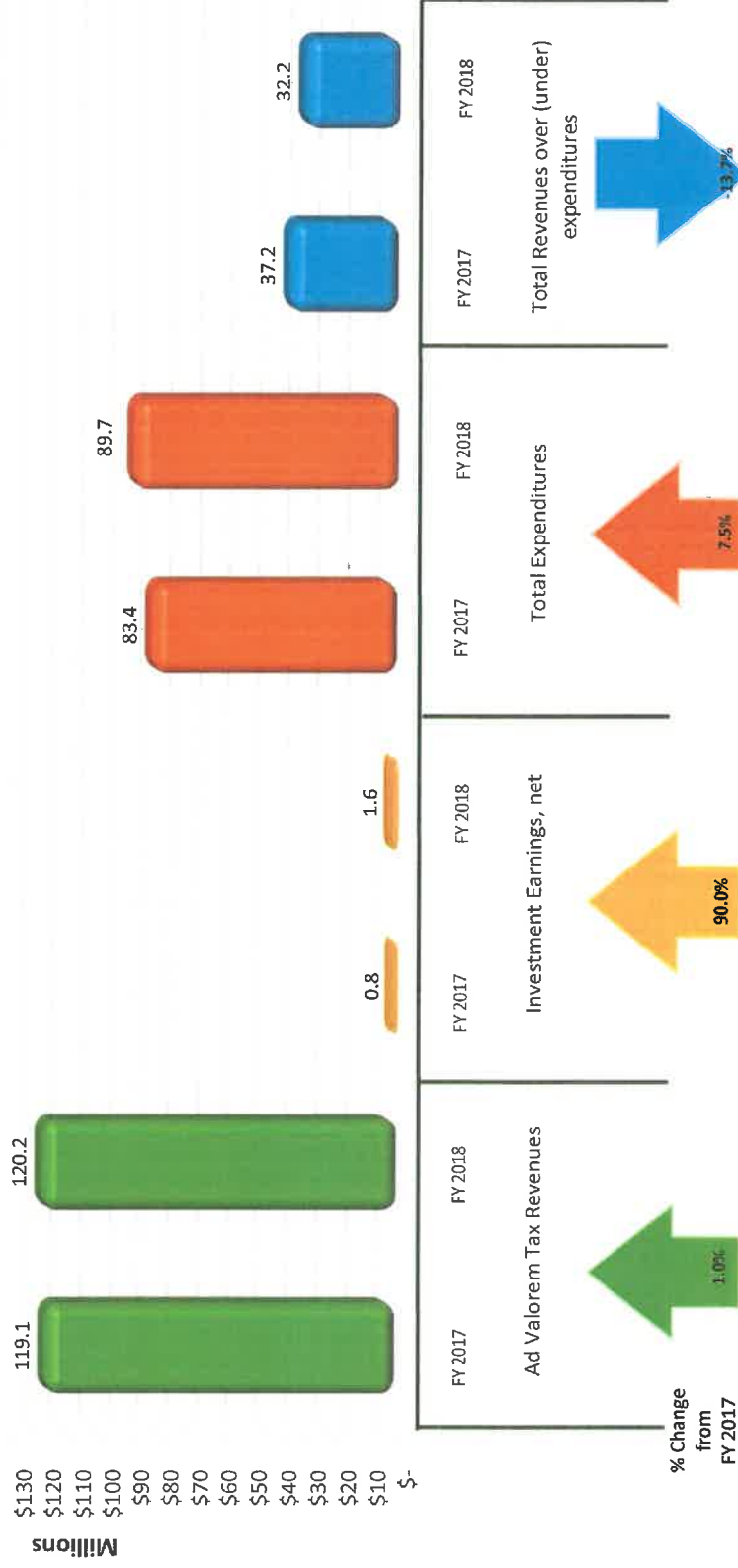
In response to the growing fund balance, The Trust:

- Adopted the rolled back millage rate of 0.4673 for the fiscal year 2018, which would maintain revenues consistent with the fiscal year 2017.
- Spend an additional \$10,000,000 during fiscal year 2018 in program services, as well as increased funding for the upcoming 5-year solicitation (Fiscal years 2019-2023) cycle by approximately \$28,500,000.
- The Trust continues to devise a strategy to significantly draw down its existing fund balance during the next solicitation cycle, without compromising its ability to fund programs to a similar capacity in future funding cycles.

# The Children's Trust

## Comparative Fiscal Highlights

For the eleven month period ended August 31, 2018



The Children's Trust

**Balance Sheet - General Fund**

August 31, 2018

	<b>General Fund</b>
<b>Assets</b>	
Current Assets	
Cash	\$ 14,938,003
Investments:	
Certificates of deposit	70,000,000
Money market	15,011,692
SBA	218,514
Accounts receivable	-
Provider receivable	-
Taxes receivable	-
Grants receivable	-
Interest receivable	-
Due from other governmental local agencies	-
Prepaid insurance	10,575
Prepaid other	-
<b>Total assets</b>	<b>\$ 100,178,784</b>
<b>Liabilities &amp; Fund Balances</b>	
<b>Liabilities</b>	
Accounts payable	\$ 996,529
Dues from other governmental local agencies	-
Accrued wages payable	-
Other current liabilities	-
Unearned revenue	-
<b>Total liabilities</b>	<b>\$ 996,529</b>
<b>Fund Balances</b>	
Non-spendable prepaid items	\$ 10,575
Restricted:	
Provider services	99,171,680
<b>Total fund balances</b>	<b>\$ 99,182,255</b>
<b>Total liabilities &amp; fund balances</b>	<b>\$ 100,178,784</b>

The Children's Trust

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

FY 2018 budget vs. FY 2018 actual (August 31)

	FY 2018 Budget (Information Purposes Only)	FY 2018 Year to Date Actual	FY 2018 vs 2017 % Actual to Actual	FY 2018 vs 2017 % Actual to Budget
<b>FUND BALANCE, Adopted Budget October 1, 2017</b>	\$ 50,099,011			
<b>REVENUES</b>				
Ad valorem tax revenues	\$ 121,938,094	\$ 120,245,452	↑ 1%	↓ 0%
CRA return/interlocal agreement	3,978,199	-	↓ -100%	↓ -22%
Investment earnings/miscellaneous	383,094	1,557,154	↑ 90%	↑ 79%
<b>Total revenues</b>	<b>\$ 126,299,387</b>	<b>\$ 121,802,606</b>	<b>↑ 1%</b>	<b>↑ 309%</b>
<b>SUSTAIN AND EXPAND DIRECT SERVICES</b>				
Parenting	\$ 15,205,000	\$ 9,623,468	↑ 29%	↑ 2%
Early childhood development	20,750,000	11,739,439	↑ 20%	↓ -2%
Youth development	46,150,000	31,140,360	↑ 8%	↑ 0%
Health and wellness	16,035,000	11,840,954	↑ 15%	↑ 9%
Family and neighborhood supports	11,688,108	7,915,230	↑ 15%	↑ 6%
<b>Total sustain and expand direct services</b>	<b>\$ 109,828,108</b>	<b>\$ 72,259,451</b>	<b>↑ 14%</b>	<b>↑ 2%</b>
<b>COMMUNITY AWARENESS AND ADVOCACY</b>				
Promote public policy and legislative agendas	\$ 215,300	\$ 159,876	↓ -1%	↓ 0%
Public awareness and program promotion	2,969,000	2,015,687	↑ 5%	↑ 3%
Promote citizen engagement and leadership to improve child and family conditions	1,700,000	591,846	↓ -43%	↓ -26%
Cross-funder collaboration of goals, strategies and resources	1,035,000	519,109	↑ 59%	↑ 19%
<b>Total community awareness and advocacy</b>	<b>\$ 5,919,300</b>	<b>\$ 3,286,518</b>	<b>↓ -4%</b>	<b>↓ -3%</b>
<b>PROGRAM AND PROFESSIONAL DEVELOPMENT</b>				
Supports for quality program implementation	\$ 3,840,000	\$ 1,723,712	↓ -6%	↓ -3%
Information systems	800,000	693,709	↑ 33%	↑ 22%
Program evaluation and community research	1,000,000	168,665	↓ -38%	↓ -10%
Innovation funds	1,000,000	227,727	↓ -47%	↓ -20%
<b>Total program and professional development</b>	<b>\$ 6,640,000</b>	<b>\$ 2,813,813</b>	<b>↓ -8%</b>	<b>↓ -4%</b>
<b>ADMINISTRATION AND NON-OPERATING EXPENDITURES</b>				
Management of The Children's Trust	\$ 10,418,930	\$ 8,710,612	↑ 2%	↑ 4%
Non-operating expenditures	6,058,281	2,579,657	↓ -49%	↓ -46%
<b>Total administration and non-operating expenditures</b>	<b>\$ 16,477,211</b>	<b>\$ 11,290,269</b>	<b>↓ -17%</b>	<b>↓ -14%</b>
<b>Total expenditures</b>	<b>\$ 138,864,619</b>	<b>\$ 89,650,051</b>	<b>↑ 7%</b>	<b>↓ -1%</b>
<b>Total revenues over/(under) expenditures</b>	<b>\$ (12,565,232)</b>	<b>\$ 32,182,555</b>		
<b>Ending fund balance, reserves/net assets, adopted budget</b>	<b>\$ 37,533,779</b>			

**Comparative Monthly Financial Statement**

FY 2018 vs. FY 2017 actual (August 31)

	<b>FY 2018 Year to Date Actual</b>	<b>FY 2017 Year to Date Actual</b>	<b>Dollar Variance</b>	<b>% Variance</b>
<b>REVENUES</b>				
Ad valorem tax revenues	\$ 120,245,452	\$ 119,080,040	\$ 1,165,412	1%
CRA return/interlocal agreement	-	753,293	(753,293)	-100%
Investment earnings/miscellaneous	1,557,154	819,588	737,566	90%
<b>Total revenues</b>	<b>\$ 121,802,606</b>	<b>\$ 120,652,921</b>	<b>\$ 1,149,685</b>	<b>1%</b>
<b>EXPENSES</b>				
Sustain and expand direct services	\$ 72,259,451	\$ 63,367,082	\$ 8,892,369	14%
Community awareness and advocacy/program and professional development	6,100,331	6,489,486	(389,155)	-6%
Administration and non-operating expenditures	11,290,269	13,553,255	(2,262,986)	-17%
<b>Total expenses</b>	<b>\$ 89,650,051</b>	<b>\$ 83,409,823</b>	<b>\$ 6,240,228</b>	<b>7%</b>
<b>Total revenues over/(under) expenditures</b>	<b>\$ 32,152,555</b>	<b>\$ 37,243,098</b>	<b>\$ (5,090,543)</b>	<b>-14%</b>