

The Children's Trust



Monthly Financial Statements (Unaudited)

For the six month ended *March 31, 2020*

Prepared by : The Children's Trust Finance Department

Approved by:


William Kirtland (May 5, 2020)

William Kirtland, CPA, Chief Financial Officer

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

2019-20 Budget Highlights:

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

Management and Non-Operating Expenditures

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

Additional Considerations:

Property Tax Revenues

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

Month	FY 2020	FY 2019
October	0.0%	0.0%
November	7.2%	26.9%
December	76.3%	79.3%
January	83.7%	83.2%
February	87.1%	86.6%
March	89.1%	88.9%

Fund Balance / Drawdown Strategy

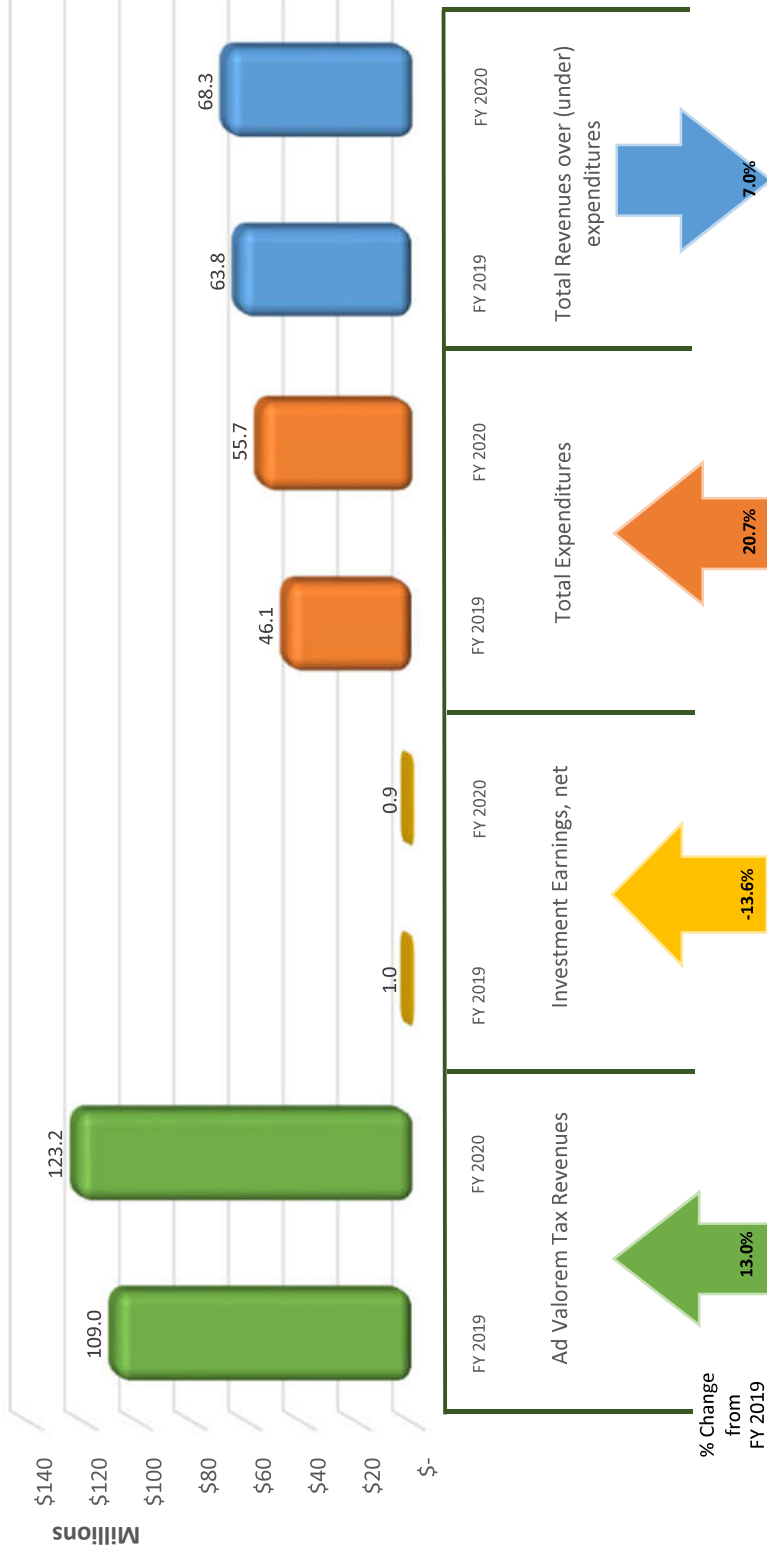
In response to the growing fund balance, The Trust:

- Adopted a tax increase rate of 0.4680 for the fiscal year 2020, which would increase revenues from the fiscal year 2019. The increased revenue will slow the utilization rate of existing fund balance reserves.
- Spend additional funds during fiscal year 2020 in program services, which included the funding for the current and expanded 5-year solicitation, as well as some contract adjustments and new awards, (Fiscal years 2019-2023) cycle by approximately \$29,800,000 annually.
- The Trust continues to devise a strategy to significantly draw down its existing fund balance during the next solicitation cycle, without compromising its ability to fund programs to a similar capacity in future funding cycles.

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Comparative Fiscal Highlights

For the six month ended March 31, 2020



The Children's Trust

Balance Sheet - General Fund

March 31, 2020

Assets	General Fund
Current Assets	
Cash	\$ 17,723,783
Investments:	
Certificates of deposit	106,000,000
Money market	1,753,028
SBA	226,651
Accounts receivable	-
Provider receivable	-
Taxes receivable	-
Grants receivable	-
Interest receivable	-
Due from other governmental local agencies	-
Prepaid insurance	44,302
Prepaid other	-
Total assets	\$ 125,747,765

Liabilities & Fund Balances	
Liabilities	
Accounts payable	\$ 670,218
Dues from other governmental local agencies	-
Accrued wages payable	-
Other current liabilities	-
Unearned revenue	-
Total liabilities	\$ 670,218
Fund balances	
Non-spendable prepaid items	\$ 44,302
Restricted:	
Provider services	125,033,245
Total fund balances	\$ 125,077,547
Total liabilities & fund balances	\$ 125,747,765

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

FY 2020 budget vs. FY 2020 actual (March 31)

	FY 2020 Amended Budget (Information Purposes Only)	FY 2020 Year to Date Actual	FY 2020 vs 2019 % Actual to Actual	FY 2020 vs 2019 % Actual to Budget
FUND BALANCE, Adopted Budget October 1, 2018	\$ 78,605,650			
REVENUES				
Ad valorem tax revenues	\$ 138,228,712	\$ 123,168,350 ↑	13.0% ↑	0.2%
CRA return/interlocal agreement	1,674,100	- →	0.0% →	0%
Investment earnings/miscellaneous	1,490,000	874,358 ↓	-13.6% ↓	-21%
Total revenues	\$ 141,392,812	\$ 124,042,708 ↑	13% ↓	-29%
SUSTAIN AND EXPAND DIRECT SERVICES				
Parenting	\$ 17,773,000	\$ 5,758,438 ↑	2% ↑	1%
Early childhood development	29,641,017	9,883,376 ↑	118% ↑	18%
Youth development	59,828,817	16,792,408 ↑	15% ↑	3%
Health and wellness	20,779,306	8,263,177 ↑	1% ↑	0%
Family and neighborhood supports	11,688,108	3,998,829 ↑	4% ↑	1%
Total sustain and expand direct services	\$ 139,710,248	\$ 44,696,228 ↑	21% ↑	5%
COMMUNITY AWARENESS AND ADVOCACY				
Promote public policy and legislative agendas	\$ 215,300	\$ 138,065 ↑	0% ↑	0%
Public awareness and program promotion	2,969,000	262,859 ↓	-19% ↓	-2%
Promote citizen engagement and leadership to improve child and family condition	1,115,000	109,542 ↓	-26% ↓	-4%
Cross-funder collaboration of goals, strategies and resources	1,735,000	274,325 ↑	43% ↑	5%
Total community awareness and advocacy	\$ 6,034,300	\$ 784,791 ↓	-2% ↓	0%
PROGRAM AND PROFESSIONAL DEVELOPMENT				
Supports for quality program implementation	\$ 3,100,000	\$ 1,138,893 ↑	114% ↑	20%
Information systems	950,000	461,105 ↓	-17% ↓	-21%
Program evaluation and community research	500,000	55,586 ↓	-55% ↓	-14%
Innovation funds	1,250,000	744,613 →	0% ↑	60%
Total program and professional development	\$ 5,800,000	\$ 2,400,195 ↑	98% ↑	21%
ADMINISTRATION AND NON-OPERATING EXPENDITURES				
Management of The Children's Trust	\$ 10,383,703	\$ 4,719,896 ↑	0% ↑	0%
Non-operating expenditures	4,048,290	3,103,565 ↑	19% ↑	8%
Total administration and non-operating expenditures	\$ 14,431,993	\$ 7,823,461 ↑	7% ↑	3%
			0%	
Total expenditures	\$ 165,976,541	\$ 55,704,675 ↑	21% ↑	5%
Total revenues over/(under) expenditures	\$ (24,583,729)	\$ 68,338,033		
Ending fund balance, reserves/net assets, adopted budget	\$ 54,021,921			

The Children's Trust

Comparative Monthly Financial Statement

FY 2020 vs. FY 2019 actual (March 31)

	FY 2020 Year to Date Actual	FY 2019 Year to Date Actual	Dollar Variance	% Variance
REVENUES				
Ad valorem tax revenues	\$ 123,168,350	\$ 108,983,340	\$ 14,185,010	13%
CRA return/interlocal agreement	-	-	-	0.0%
Investment earnings/miscellaneous	874,358	1,012,389	(138,031)	-14%
Total revenues	\$ 124,042,708	\$ 109,995,729	\$ 14,046,979	13%
EXPENSES				
Sustain and expand direct services	\$ 44,696,228	\$ 36,821,752	\$ 7,874,476	21%
Community awareness and advocacy/program and professional development	3,184,986	2,013,247	1,171,739	58%
Administration and non-operating expenditures	7,823,461	7,311,175	512,286	7%
Total expenses	\$ 55,704,675	\$ 46,146,173	\$ 9,558,502	21%
Total revenues over/(under) expenditures	\$ 68,338,033	\$ 63,849,556	\$ 4,488,477	7%