

The Children's Trust



Monthly Financial Statements (Unaudited)

For the nine month ended June 30, 2021

Prepared by : The Children's Trust Finance Department

Approved by:


William Kirtland (Sep 29, 2021 09:05 EDT)

William Kirtland, CPA, Chief Financial Officer

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

2020-21 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 \$33.8m
 - * Youth Development \$59.8m
 - * Parenting \$18.9m
 - * Health & Wellness \$21.1m
 - * Family & Neighborhood Supports \$11.9m
- The Miami-Dade Property Appraiser reported an assessed tax roll of \$326.5 billion, which equates to approximately:
 - * Based on 0.4507 millage rate (rolled-back rate), ad valorem tax revenue = \$139.8m, this represents a 1.15% tax increase.
- * Miscellaneous revenues are expected to decrease during the fiscal year 2021. The Trust manages its funds to primarily emphasize safety, liquidity, and return (in that order). At beginning of fiscal year 2020, interest rates for 30, 60, 90-day and 1-year Certificates of Deposit steadily began to decrease since the fiscal year 2019. In the spring of 2020, the COVID-19 pandemic took full effect on worldwide economies, initiating a rapid decline in interest rates. 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 6.23% 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 2021, 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 0.4507, a rolled-back rate, The Trust does not expect to 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 2021	FY 2020
October	0.0%	0.0%
November	18.0%	7.2%
December	80.6%	76.3%
January	85.1%	83.7%
February	88.3%	87.1%
March	90.6%	89.1%
April	90.6%	92.2%
May	95.5%	94.2%
June	97.2%	95.3%

Fund Balance / Drawdown Strategy

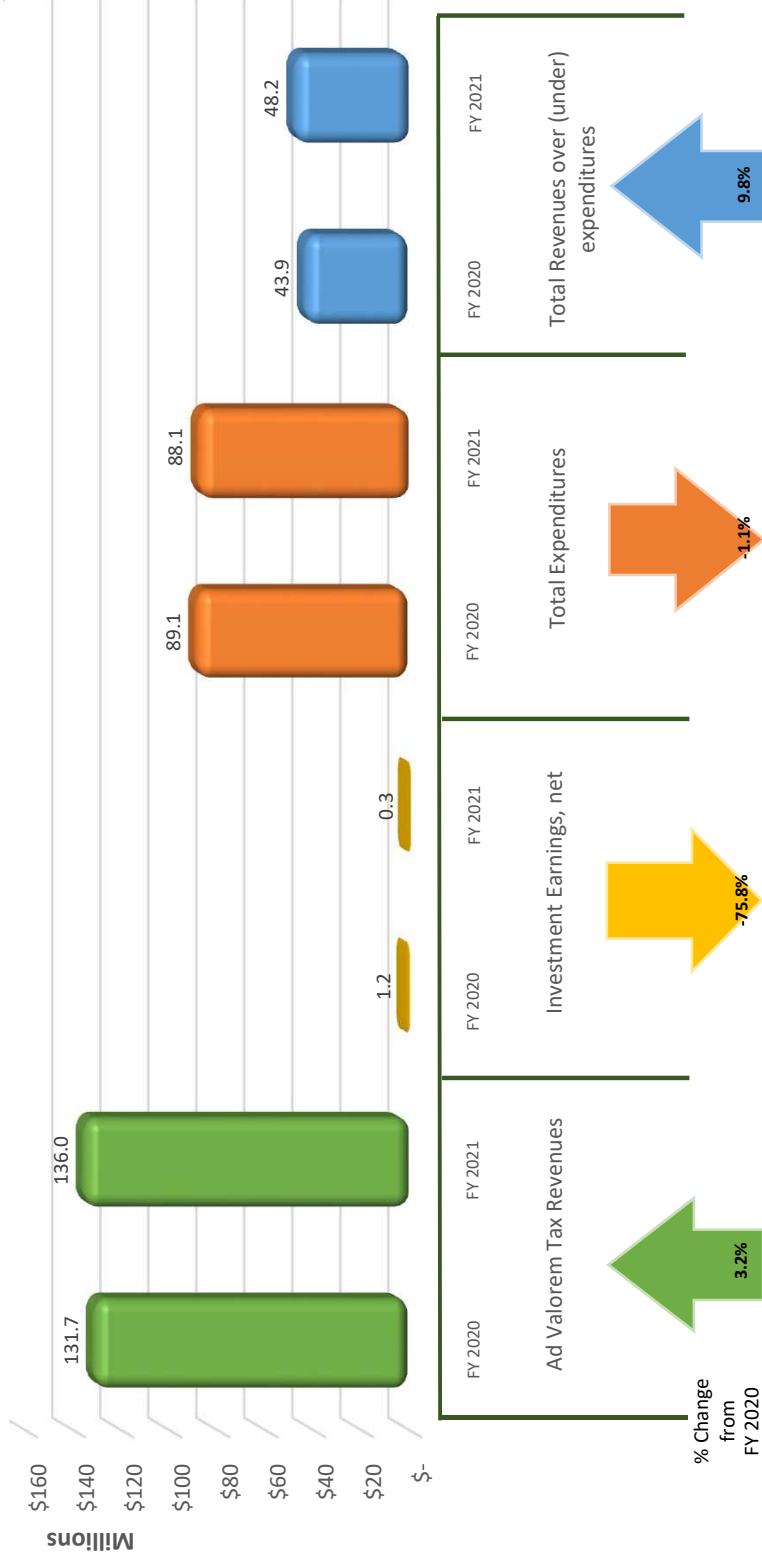
In response to the excess fund balance, The Trust:

- Adopted a rolled-back rate of 0.4507 for the fiscal year 2021, which will maintain revenues from the fiscal year 2020. Without increasing revenue, the utilization of existing fund balance reserves will continue until revenues are increased to equal expenditures.
- Spend additional funds during fiscal year 2021 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.
- Within the current 5-year funding cycle, The Trust continues to devise a strategy to reduce and subsequently maintain a target fund balance, which is calculated to equal 2 months of operational expenditures. The Trust strategy is to meet this benchmark during the current solicitation cycle without compromising its ability to fund programs to a similar capacity in future funding cycles.

The Children's Trust

Comparative Fiscal Highlights

For the nine month ended June 30, 2021



The Children's Trust

Balance Sheet - General Fund

June 30, 2021

Assets	General Fund	
Current Assets		
Cash	\$	65,142,974
Investments:		
Certificates of deposit		30,000,986
Money market		841,131
SBA		227,583
Accounts receivable		-
Provider receivable		-
Taxes receivable		-
Grants receivable		-
Interest receivable		-
Due from other governmental local agencies		-
Prepaid insurance		21,223
Prepaid other		38,938
Total assets	\$	96,272,835
Liabilities & Fund Balances		
Liabilities		
Accounts payable	\$	795,112
Dues from other governmental local agencies		-
Accrued wages payable		-
Other current liabilities		-
Unearned revenue		8,500
Total liabilities	\$	803,612
Fund balances		
Non-spendable prepaid items	\$	60,162
Restricted:		
Provider services		95,409,061
Total fund balances	\$	95,469,223
Total liabilities & fund balances	\$	96,272,835

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

FY 2021 budget vs. FY 2021 actual (June 30)

	FY 2021 Amended Budget (Information Purposes Only)	FY 2021 Year to Date Actual	FY 2021 vs 2020 % Actual to Actual	FY 2021 vs 2020 % Actual to Budget
FUND BALANCE, Adopted Budget October 1, 2020	\$ 50,649,434			
REVENUES				
Ad valorem tax revenues	\$ 139,822,634	\$ 135,958,477	↑ 3.2%	↑ 1.9%
CRA return/interlocal agreement	2,000,000	-	→ 0.0%	→ 0%
Investment earnings/miscellaneous	700,000	297,114	↓ -75.8%	↓ -40%
Total revenues	\$ 142,522,634	\$ 136,255,591	↑ 2%	↓ -52%
SUSTAIN AND EXPAND DIRECT SERVICES				
Parenting	\$ 19,661,000	\$ 10,730,743	↑ 8%	↓ -2%
Early childhood development	33,841,017	17,842,417	↑ 3%	↓ -6%
Youth development	59,828,817	24,643,400	↓ -9%	↓ -4%
Health and wellness	21,079,306	11,303,676	↓ -9%	↓ -6%
Family and neighborhood supports	11,988,108	6,302,114	↓ -3%	↓ -3%
Total sustain and expand direct services	\$ 146,398,248	\$ 70,822,350	↓ -3%	↓ -4%
COMMUNITY AWARENESS AND ADVOCACY				
Promote public policy and legislative agendas	\$ 215,300	\$ 128,780	↓ -11%	↓ -7%
Public awareness and program promotion	2,969,000	1,272,582	↑ 97%	↑ 21%
Promote citizen engagement and leadership to improve child and family condition	1,115,000	256,004	↑ 1%	↑ 0%
Cross-funder collaboration of goals, strategies and resources	1,735,000	881,168	↓ -13%	↓ -7%
Total community awareness and advocacy	\$ 6,034,300	\$ 2,538,534	↑ 24%	↑ 8%
PROGRAM AND PROFESSIONAL DEVELOPMENT				
Supports for quality program implementation	\$ 3,100,000	\$ 1,675,142	↓ -6%	↓ -4%
Information systems	950,000	577,247	↓ -16%	↓ -11%
Program evaluation and community research	500,000	114,945	↓ -26%	↓ -8%
Innovation funds	1,250,000	361,795	↓ -68%	↓ -62%
Total program and professional development	\$ 5,800,000	\$ 2,729,129	↓ -28%	↓ -18%
ADMINISTRATION AND NON-OPERATING EXPENDITURES				
Management of The Children's Trust	\$ 10,763,703	\$ 7,006,925	↑ 1%	↓ -2%
Non-operating expenditures	4,600,000	4,974,387	↑ 60%	↑ 31%
Total administration and non-operating expenditures	\$ 15,363,703	\$ 11,981,312	↑ 19%	↑ 8%
			0%	
Total expenditures	\$ 173,596,251	\$ 88,071,325	↓ -1%	↓ -3%
Total revenues over/(under) expenditures	\$ (31,073,617)	\$ 48,184,266		
Ending fund balance, reserves/net assets, adopted budget	\$ 19,575,817			

The Children's Trust

Comparative Monthly Financial Statement

FY 2021 vs. FY 2020 actual (June 30)

	FY 2021 Year to Date Actual	FY 2020 Year to Date Actual	Dollar Variance	% Variance
REVENUES				
Ad valorem tax revenues	\$ 135,958,477	\$ 131,720,691	\$ 4,237,786	3%
CRA return/interlocal agreement	-	-	-	0.0%
Investment earnings/miscellaneous	297,114	1,229,718	(932,604)	-76%
Total revenues	\$ 136,255,591	\$ 132,950,409	\$ 3,305,182	2%
EXPENSES				
Sustain and expand direct services	\$ 70,822,350	\$ 73,214,960	\$ (2,392,610)	-3%
Community awareness and advocacy/program and professional development	5,267,663	5,822,334	(554,671)	-10%
Administration and non-operating expenditures	11,981,312	10,031,670	1,949,643	19%
Total expenses	\$ 88,071,325	\$ 89,068,964	\$ (997,639)	-1%
Total revenues over/(under) expenditures	\$ 48,184,266	\$ 43,881,445	\$ 4,302,821	10%