

2024

Children's Trust of Alachua County

Financial Statements and
Independent Auditor's Report

September 30, 2024

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT
CHILDREN’S TRUST OF ALACHUA COUNTY**

SEPTEMBER 30, 2024

TABLE OF CONTENTS

Independent Auditor’s Report	1-3	
Management’s Discussion and Analysis	4-9	
Basic Financial Statements		
Government-Wide Financial Statements:		
Statement of Net Position	10	
Statement of Activities	11	
Fund Financial Statements:		
Balance Sheet – Governmental Funds	12	
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	13	
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	14	
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	15	
Notes to Financial Statements.....	16-33	
Required Supplementary Information		
Budgetary Comparison Schedules:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	34	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund	35	
Schedule of Proportionate Share of Net Pension Liability Last 10 Fiscal Years.....	36	
Schedule of Employer Contributions Last 10 Fiscal Years	37	
Schedule of Other Postemployment Benefits Last 10 Fiscal Years	38	
Supplementary Information		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund	39	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		40-42
Management Letter	43-45	
Independent Accountant’s Report on Compliance with Florida Statute, Section 218.415 – Investment of Public Funds		46
Management Response to Findings	47-48	

INDEPENDENT AUDITOR'S REPORT

To CTAC Members
Children's Trust of Alachua County
Gainesville, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Children's Trust of Alachua County (CTAC) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise CTAC's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of CTAC as of September 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CTAC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CTAC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

To CTAC Members
Children's Trust of Alachua County
Gainesville, Florida

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CTAC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CTAC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

To CTAC Members
Children's Trust of Alachua County
Gainesville, Florida

INDEPENDENT AUDITOR'S REPORT

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CTAC's basic financial statements. The accompanying Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2025, on our consideration of CTAC'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 CTAC'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 CTAC's internal control over financial reporting and compliance.

Purvis Gray

May 22, 2025
Gainesville, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Children's Trust of Alachua County (CTAC) management's discussion and analysis presents an overview of CTAC's financial activities for the fiscal year ended September 30, 2024. CTAC's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

Government-Wide Statements

- CTAC's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2024, by \$12,811,193, the net position. Of this amount, \$10,697,103 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- CTAC increased net position by \$506,116 over the prior fiscal year. Net position primarily increased due to Ad Valorem Taxes and other general revenue exceeding total program expenses. CTAC continues developing strategies to commit fund balance over a three-year horizon in support of its strategic goals.

Fund Statements

- At September 30, 2024, CTAC's governmental funds reported a combined ending fund balance of \$11,497,501, a decrease of \$1,362,322 from the prior fiscal year.
- At September 30, 2024, the total fund balance for the General Fund was \$10,312,829. CTAC's General Fund assigned ending fund balance totaled \$4,124,919; with \$3,247,504 assigned for grants outstanding and carried over to fiscal year 2025; \$877,415 assigned for subsequent year's reserves.
- At September 30, 2024, the total fund balance for the Special Revenue Fund was \$88,829, which is all restricted externally by the contributors. The total fund balance for the Capital Projects Fund was \$1,095,843, of which \$1,095,843 is assigned for the new building.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to CTAC's basic financial statements. CTAC's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of CTAC's finances, in a manner similar to a private sector business.

- The Statement of Net Position presents financial information on all of CTAC's assets and deferred outflows of resources and liabilities and deferred inflows of 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 CTAC is strengthening or weakening.
- The Statement of Activities presents information showing how the government's net position changed during fiscal year 2024. All changes in net position are reported as soon as the event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused paid time off).

The government-wide financial statements can be found on pages 10-11 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. CTAC, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All CTAC funds are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. CTAC maintains three individual governmental funds; General Fund, Special Revenue Fund, and the Capital Projects Fund.

CTAC adopts an annual budget for all funds. Budgetary comparison schedules have been provided to demonstrate budgetary compliance, which is in the Required Supplementary Information on pages 34-35 and Supplementary Information on page 39 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-33 of this report.

Other Information

Required pension fund information is shown on pages 36-37 and required OPEB information is shown on page 38.

Government-Wide Financial Analysis

Changes in net position over time may serve as a useful indicator of a government's financial position. In the case of CTAC, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$12,811,193 as of September 30, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Financial Information

The following tables present condensed, government-wide comparative data about net position and changes in net position.

September 30	NET POSITION		
	Governmental Activity	Governmental Activity	Change
	2023	2024	
Assets			
Current Assets	\$ 14,025,000	\$ 13,963,341	\$ (61,659)
Non-Current Assets	62,405	2,059,103	1,996,698
Total Assets	14,087,405	16,022,444	1,935,039
 Deferred Outflows of Resources	 715,480	 678,901	 (36,579)
 Liabilities			
Current Liabilities	1,226,733	2,538,559	1,311,826
Long-Term Liabilities	1,235,533	1,240,127	4,594
Total Liabilities	2,462,266	3,778,686	1,316,420
 Deferred Inflows of Resources	 35,542	 111,466	 75,924
 Net Position			
Invested in Capital Assets	-	2,024,435	2,024,435
Net Invested in Right-to-Use Assets	(2,902)	826	3,728
Restricted:			
Special Revenue Fund	117,352	88,829	(28,523)
Unrestricted	12,190,627	10,697,103	(1,493,524)
 Total Net Position	 \$ 12,305,077	 \$ 12,811,193	 \$ 506,116

At the end of the year, any of CTAC's net position that is unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Unrestricted net position decreased by \$1,493,524 over the prior fiscal year. Unrestricted net position primarily decreased due to the building purchase, which created invested in capital assets of \$2,024,435. Total net position increased by \$506,116 over the prior fiscal year primarily due to Ad Valorem tax revenue and other general revenue exceeding total program expenses. CTAC continues developing strategies to commit fund balance over a three-year horizon in support of its strategic goals.

The Special Revenue Fund ended the year with \$88,829 in restricted net position. This has been restricted for specific programming and revenue generated from third party sources.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CHANGES IN NET POSITION

	Governmental Activity <u>2023</u>	Governmental Activity <u>2024</u>	<u>Change</u>
Program Expenses			
Program - Children's Services	\$ 6,771,696	\$ 8,577,773	27%
Administration	1,471,925	1,572,838	7%
Interest Expense	247	3,399	1276%
Unallocated - Amortization Expense	20,802	27,736	33%
Total Program Expenses	<u>8,264,670</u>	<u>10,181,746</u>	<u>23%</u>
Program Revenues			
Operating Grants and Contributions	86,834	371,759	328%
Total Program Revenues	<u>86,834</u>	<u>371,759</u>	<u>328%</u>
Net Program (Expense) Revenue	<u>(8,177,836)</u>	<u>(9,809,987)</u>	<u>20%</u>
General Revenues			
Ad Valorem Taxes	8,467,352	9,478,822	12%
Interest and Other Income	755,910	837,281	11%
Total General Revenues	<u>9,223,262</u>	<u>10,316,103</u>	<u>12%</u>
Change in Net Position	1,045,426	506,116	-52%
Net Position - Beginning of Year	<u>11,259,651</u>	<u>12,305,077</u>	<u>9%</u>
Net Position - End of Year	<u>\$ 12,305,077</u>	<u>\$ 12,811,193</u>	<u>4%</u>

Governmental Activities

Program Revenues – CTAC recognized a private grant award in fiscal year 2024 in the amount of \$371,759.

General Revenues – CTAC's primary operating revenue source is property taxes and for the year ended September 30, 2024, CTAC collected \$9,478,822 in taxes. CTAC earned \$837,281 in interest earnings on investment of surplus funds and other sources of income. Interest and other income increased by \$81,371 over prior year primarily due to increased market rates as a result of current economic conditions.

Net Position – The CTAC's total ending net position is \$12,811,193. CTAC's net position by \$506,116 over the prior fiscal year. Net position primarily increased due to Ad Valorem Taxes and other general revenue exceeding total program expenses. CTAC continues developing strategies to commit fund balance over a three-year horizon in support of its strategic goals.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund Financial Analysis

The CTAC uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements.

Governmental Funds

The primary purpose of CTAC's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing CTAC's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CLASSIFICATIONS OF FUND BALANCE

	General Fund	Special Revenue Fund	Capital Projects Fund
Total Fund Balance	\$ 10,312,829	\$ 88,829	\$ 1,095,843
Less Classified Fund Balance			
Restricted:			
Pritzker Grant	-	87,640	-
Early Learning Coalition Grant	-	1,189	-
Assigned For:			
Grants Carryover to Fiscal Year 2025	3,247,504	-	-
Subsequent Year's Reserve	877,415	-	-
Building	-	-	1,095,843
Unassigned Fund Balance	\$ 6,187,910	\$ -	\$ -

As of the end of fiscal year 2024, CTAC's governmental fund reported an ending fund balance of \$11,497,501, a decrease of \$1,362,322 over the prior year.

Major Funds

CTAC reported three major funds - the General Fund, Special Revenue Fund, and Capital Projects Fund for the year ended September 30, 2024.

The General Fund is the chief operating fund of CTAC. The total fund balance at September 30, 2024, is \$10,312,829. For the fiscal year, the General Fund had a net decrease in fund balance of \$298,265. This net decrease was primarily due to transfer to capital projects fund for investment in capital assets. As a measure of the General Fund's liquidity, it is useful to compare total fund balance to total fund revenues. For fiscal year 2024, the ending fund balance represents 100.3% of total General Fund operating revenue.

The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The total Special Revenue Fund Balance at September 30, 2024, is \$88,829. For the fiscal year, the Special Revenue Fund had a net decrease in fund balance of \$28,523. This decrease was due to flow of revenues and expenditures related to specific programs in the current and prior years.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and infrastructure. The total Capital Projects Fund Balance at September 30, 2024, is \$1,095,843. For the fiscal year, the Capital Projects Fund had a net decrease in fund balance of \$1,035,534. This decrease was primarily due to \$2,070,509 in capital outlay expenditures, primarily for the purchase of the building and related improvements.

General Fund Budgetary Highlights

The General Fund's total final budget (see schedule on page 34) reflects all amendments approved during the fiscal year.

Overall actual revenues varied from final budgeted revenues positively by \$441,505. This positive variance is primarily due to interest income coming in higher than budgeted. Actual expenditures were less than final budgeted expenditures by \$4,711,388 (positive variance).

Economic Factors and Next Year's Budgets and Rates

- Total taxable assessed value of residential properties increased 12.1% for fiscal year 2024.
- Population increased by approximately 1.12% from the prior calendar year to an estimated 296,313.

The ad valorem tax rate for the General Fund for the upcoming 2025 fiscal year budget is 0.45 mills.

Requests for Information

This financial report is designed to present users with a general overview of CTAC's finances. If you have questions concerning any of the information provided in this report or need additional financial information, please contact the Children's Trust of Alachua County, Finance and Accounting, 4010 NW 25th Place, Gainesville, Florida 32606. Additional financial information can be found on CTAC's website: <https://www.childrenstrustofalachuacounty.us/>.

BASIC FINANCIAL STATEMENTS

CHILDREN'S TRUST OF ALACHUA COUNTY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Assets

Current Assets:

Cash and Cash Equivalents	\$ 13,959,812
Due from Other Governments	3,529
Total Current Assets	13,963,341

Non-Current Assets:

Capital Assets, Net	2,024,435
Right-to-Use Assets, Net	34,668
Total Non-Current Assets	2,059,103

Total Assets

16,022,444

Deferred Outflows of Resources

Pension Related	645,523
OPEB Related	33,378

Total Deferred Outflows of Resources

678,901

Liabilities

Current Liabilities:

Accounts Payable and Accrued Liabilities	68,637
Construction Contract Payable	34,667
Retainage Payable	3,852
Grants Payable	2,306,071
Due to Other Governments	52,613
Current Portion of Long-Term Debt:	
Accrued Compensated Absences	39,585
Leases	2,745
Subscription-Based Information Technology Arrangement	30,389

Total Current Liabilities

2,538,559

Non-Current Liabilities:

Accrued Compensated Absences	13,194
Leases	710
Net Pension Liability	1,136,906
Net OPEB Liability	89,317

Total Non-Current Liabilities

1,240,127

Total Liabilities

3,778,686

Deferred Inflows of Resources

Pension Related	94,341
OPEB Related	17,125

Total Deferred Inflows of Resources

111,466

Net Position

Invested in Capital Assets	2,024,435
Net Invested in Right-to-Use Assets	826
Restricted:	
Special Revenue Fund	88,829
Unrestricted	10,697,103

Total Net Position

\$ 12,811,193

See accompanying notes.

**CHILDREN'S TRUST OF ALACHUA COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Program Expenses	
Program - Children's Services	\$ 8,577,773
Administration	1,572,838
Interest Expense	3,399
Unallocated - Amortization Expense	27,736
Total Program Expenses	<u>10,181,746</u>
 Program Revenues	
Operating Grants and Contributions	<u>371,759</u>
Total Program Revenues	<u>371,759</u>
 Net Program (Expense) Revenue	 <u>(9,809,987)</u>
 General Revenues	
Ad Valorem Taxes	9,478,822
Interest and Other Income	837,281
Total General Revenues	<u>10,316,103</u>
 Change in Net Position	 506,116
 Net Position - Beginning of Year	 <u>12,305,077</u>
 Net Position - End of Year	 <u>\$ 12,811,193</u>

See accompanying notes.

**CHILDREN'S TRUST OF ALACHUA COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash and Cash Equivalents	\$ 12,682,995	\$ 142,454	\$ 1,134,362	\$ 13,959,811
Due from Other Governments	3,529	-	-	3,529
Total Assets	<u>12,686,524</u>	<u>142,454</u>	<u>1,134,362</u>	<u>13,963,340</u>
Liabilities				
Accounts Payable and Accrued Liabilities	68,637	-	-	68,637
Construction Contract Payable	-	-	34,667	34,667
Retainage Payable	-	-	3,852	3,852
Grants Payable	2,252,445	53,625	-	2,306,070
Due to Other Governments	52,613	-	-	52,613
Total Liabilities	<u>2,373,695</u>	<u>53,625</u>	<u>38,519</u>	<u>2,465,839</u>
Fund Balances				
Restricted:				
Pritzker Grant	-	87,640	-	87,640
Early Learning Coalition Grant	-	1,189	-	1,189
Assigned:				
Grants Outstanding and Carryover to Fiscal Year 2025	3,247,504	-	-	3,247,504
Subsequent Year's Reserves	877,415	-	-	877,415
Building	-	-	1,095,843	1,095,843
Unassigned	6,187,910	-	-	6,187,910
Total Fund Balances	<u>10,312,829</u>	<u>88,829</u>	<u>1,095,843</u>	<u>11,497,501</u>
Total Liabilities and Fund Balances	<u>\$ 12,686,524</u>	<u>\$ 142,454</u>	<u>\$ 1,134,362</u>	<u>\$ 13,963,340</u>

See accompanying notes.

**CHILDREN'S TRUST OF ALACHUA COUNTY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

Fund Balances - Total Governmental Funds \$ 11,497,501

**Amounts Reported for Governmental Activities in the Statement of Net
Position are Different Because:**

Capital Assets used in governmental activities are not financial resources and,
therefore, are not reported in the governmental funds:

Capital Assets	\$ 2,060,410	
(Accumulated Depreciation)	<u>(35,975)</u>	2,024,435

Right-to-Use Assets used in governmental activities are not financial resources and,
therefore, are not reported in the governmental funds:

Right-to-Use Assets	83,207	
(Accumulated Amortization)	<u>(48,539)</u>	34,668

Deferred outflows and inflows of resources do not affect current financial resources,
and, therefore, are not reported in the government funds. Deferred outflows
and inflows of resources at year-end consist of:

Deferred Outflows Related to Pensions	645,523	
Deferred Outflows Related to OPEB	33,378	
Deferred Inflows Related to Pensions	(94,341)	
Deferred Inflows Related to OPEB	<u>(17,125)</u>	567,435

Long-term liabilities are not due and payable in the current period
and, therefore, are not reported in the governmental funds.

Long-term liabilities at year-end consist of:

Accrued Compensated Absences	(52,779)	
Leases	(3,455)	
Subscription-Based Information Technology Arrangement	(30,389)	
Net Pension Liability	(1,136,906)	
Net OPEB Liability	<u>(89,317)</u>	<u>(1,312,846)</u>

Net Position of Governmental Activities \$ 12,811,193

See accompanying notes.

**CHILDREN'S TRUST OF ALACHUA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Ad Valorem Taxes	\$ 9,478,822	\$ -	\$ -	\$ 9,478,822
Contributions From Private Sources	-	371,759	-	371,759
Interest and Other Income	799,722	2,583	34,975	837,280
Total Revenues	10,278,544	374,342	34,975	10,687,861
Expenditures				
Program - Children's Services:				
Operating	1,040,921	53,128	-	1,094,049
Capital Outlay	-	-	2,070,509	2,070,509
Grant Awards	7,025,798	349,737	-	7,375,535
Total Program - Children's Services	8,066,719	402,865	2,070,509	10,540,093
Administration:				
Operating	1,475,227	-	-	1,475,227
Total Administration	1,475,227	-	-	1,475,227
Debt Service:				
Principal	31,464	-	-	31,464
Interest	3,399	-	-	3,399
Total Debt Service	34,863	-	-	34,863
Total Expenditures	9,576,809	402,865	2,070,509	12,050,183
Other Financing Sources (Uses)				
Transfers In	-	-	1,000,000	1,000,000
Transfers Out	(1,000,000)	-	-	(1,000,000)
Total Other Financing Sources (Uses)	(1,000,000)	-	1,000,000	-
Net Change in Fund Balance	(298,265)	(28,523)	(1,035,534)	(1,362,322)
Fund Balances - Beginning of Year	10,611,094	117,352	2,131,377	12,859,823
Fund Balances - End of Year	\$ 10,312,829	\$ 88,829	\$ 1,095,843	\$ 11,497,501

See accompanying notes.

**CHILDREN'S TRUST OF ALACHUA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ (1,362,322)

Amounts Reported for Governmental Activities in the Statement of

Activities are Different Because:

Governmental funds report capital outlay as an expenditure. In the Statement of Activities the cost of certain assets are allocated over their estimated useful lives and reported as amortization expense. (27,736)

Governmental funds report capital outlay as an expenditure. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$35,975) was less than capital additions of \$2,060,410 in the current period.

Capital Additions	2,060,410	
Depreciation Expense	<u>(35,975)</u>	2,024,435

The repayment of long-term debt expends current financial resources in governmental funds, while it has no effect on the Statement of Activities. 31,464

The changes in the net pension liability and pension related deferred outflows and inflows of resources result in an adjustment to pension expense in the statement of activities, but not in the governmental funds.

Change in Net Pension Liability	(46,243)	
Change in Deferred Outflows	(35,350)	
Change in Deferred Inflows	<u>(63,402)</u>	(144,995)

The changes in the net OPEB liability and OPEB related deferred outflows and inflows of resources result in an adjustment to pension expense in the statement of activities, but not in the governmental funds.

Change in Net OPEB Liability	11,679	
Change in Deferred Outflows	(1,229)	
Change in Deferred Inflows	<u>(12,522)</u>	(2,072)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net change in the compensated absences. (12,658)

Change in Net Position of Governmental Activities \$ 506,116

See accompanying notes.

CHILDREN'S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Children's Trust of Alachua County (CTAC) is an independent special district established under County Ordinance 18-08 and approved by the electors of Alachua County, Florida (the County) voting in the November 6, 2018, election. CTAC is governed by a board of directors which consists of 10 members, including the Superintendent of Schools, a local School Board member, the District III Administrator from the Florida Department of Children and Families or designee; one member of the Board of County Commissioners, a Judge assigned to juvenile cases and the remaining five members are appointed by the Governor for four-year terms. CTAC operates in accordance with Section 125.901, Florida Statutes.

CTAC funds and supports a coordinated system of community services that allows all youth and their families to thrive. CTAC's vision statement is to facilitate equitable access and opportunities for all children, youth, and families in Alachua County to ensure every child reaches their maximum potential.

CTAC follows the standards promulgated by Government Accounting Standards Board (GASB) Codification Section 2100, *Defining the Financial Reporting Entity*. The accompanying financial statements include all operations over which CTAC is financially accountable.

CTAC provides funding to various agencies; however, each agency is financially independent. CTAC has no authority to appoint or hire management of the agencies nor does it have responsibility for routine operations of the agencies. Based upon application of these factors, CTAC has concluded that it has no financial oversight responsibility for the various agencies and, therefore, their financial statements are excluded from the reporting entity. CTAC has not identified any component units and is not a participant in any joint ventures.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of CTAC.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds.

CTAC's major funds are presented in separate columns on the governmental funds financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB Statement No. 34. The funds that do not meet the criteria of major fund are considered non-major funds.

CHILDREN'S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

CTAC reports the following major governmental funds:

- General Fund – The government's primary operating fund. It accounts for all financial resources of the general government.
- Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes other than capital projects.
- Capital Projects Fund – accounts for the acquisition and construction of major capital facilities.

Budgets and Budgetary Accounting

The budget is prepared and adopted after public hearings, pursuant to Section 200.065 of the Florida Statutes. The budget was adopted by CTAC for all funds for the period October 1, 2023 through September 30, 2024, utilizing generally accepted accounting principles. Throughout the year, there were CTAC approved budget transfers and budget amendments.

Cash and Cash Equivalents

Cash and cash equivalents, which are cash and short-term investments with maturities of three months or less, include cash on hand and in banks, repurchase agreements, and cash placed with the State Treasurer's investment pool.

Capital Assets

Capital assets (property and equipment) are reported in the government-wide financial statements. Capital assets are defined by CTAC policy and include items of a non-consumable nature with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the

CHILDREN'S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Property and equipment of CTAC is depreciated using the straight-line method over the estimated useful lives ranging from 5-40 years, as defined by CTAC policy.

Right-to-Use Assets

CTAC has right-to-use lease and subscription-based information technology arrangement (SBITA) assets as a result of GASB Statement No. 87, *Leases*, and GASB Statement No.96, *Subscription-Based Information Technology Arrangements*. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related liability plus any lease or SBITA payments made prior to the lease or SBITA term, lease or SBITA incentives, and ancillary charges necessary to place the lease or SBITA asset into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease or SBITA.

Interfund Activities and Transactions

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Compensated Absences

The policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service within vesting limits. Separating employees shall be paid for all unused, accrued vacation leave earned through the date of separation, up to a maximum of 280 hours. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, pension expense, information about the fiduciary net position, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB) Liability

CTAC participates in the Alachua County OPEB Plan. For purposes of measuring net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Alachua County OPEB Plan and additions/deductions from Alachua County OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Alachua County OPEB Plan. For this purpose, the Alachua County OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CHILDREN'S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Deferred Outflows/Inflows of Resources

A *deferred outflow of resources* is a consumption of net assets that is applicable to a future reporting period.

A *deferred inflow of resources* is an acquisition of net assets that is applicable to a future reporting period.

Property Taxes

Property taxes for the current year were assessed and collected by the Alachua County Tax Collector and subsequently remitted to CTAC. Property taxes are assessed as of January 1 each year and are first billed (levied) and due the following November 1. Under Florida law, the assessment of all properties and the collection of all county, municipal, school board, and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws for the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit Children's Trusts to levy property taxes at a rate of up to .5 mills (\$.50 per \$1,000 of assessed taxable valuation). The millage rate assessed by CTAC for the year ended September 30, 2024, was 0.4612 mills.

The taxes levied are established by CTAC prior to October 1 of each year, and the County Property Appraiser incorporates the millage into the tax levy, for the County. All property is reassessed according to its fair market value as of January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of state statutes.

All real and tangible personal property taxes are due and payable on November 1 each year, or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. The County Property Appraiser mails to each property owner on the assessment roll a notice of the taxes due and the County Tax Collector collects the taxes on behalf of CTAC. Taxes may be paid upon receipt of such notice, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1 of the year following the year in which the taxes were assessed. Procedures for the collection of delinquent taxes by the County are provided for in the laws of Florida. There were no material delinquent property taxes at September 30, 2024.

Grants and Grants Payable

CTAC provides coordination, evaluation, and funding of various programs for children which are administered by organizations throughout the County. Once CTAC decides to fund a program, CTAC executes a grant agreement with an administering organization (grantee). The grantee can then request cost reimbursements up to the total amount of the executed grant agreement on a monthly basis during the term of the grant as defined in the executed grant agreement. The grants payable at September 30, 2024, represents cost reimbursement requests submitted by grantees for costs incurred prior to September 30, 2024. No grants payable are recorded for amounts awarded through executed grant agreements for which cost reimbursement requests have not been made by grantees as of December 15, 2024.

CHILDREN'S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Governmental Fund Balance

CTAC adopted a Fund Balance Policy to comply with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Governmental fund balances are now reported as non-spendable, restricted, committed, assigned and unassigned.

- Non-Spendable Fund Balance – Amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
- Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed Fund Balance – Amounts that can only be used for specific purposes pursuant to the constraints imposed by a formal action of the government's highest level of decision-making authority. Only the governing ten-member council may modify or rescind a fund balance commitment, by resolution.
- Assigned Fund Balance – Amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The authority to assign fund balance lies with CTAC, the budget committee, or an official who has been given the authority to assign funds.
- Unassigned Fund Balance – The residual classification for the General Fund resources. This classification represents fund balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for a governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.
- Fund Balance Spending Hierarchy – When restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

Future Accounting Pronouncements

GASB Statement 101, *Compensated Absences* – The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This statement requires that liabilities for compensated absences be recognized for: (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or non-cash means, with an exception of certain types of compensated absences such as parental leave, military leave, and jury duty, that should not be recognized until the leave is used. This statement establishes guidance for measuring a liability for leave that has not been used, for leave that has been used but not yet paid or settled, and certain salary-related payments that are directly and incrementally associated with payments for leave. CTAC is due to implement this guidance beginning October 1, 2024, and is currently evaluating the impact that adoption of this statement will have on its financial statements.

CHILDREN'S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 2 - Deposits and Investments

Statement of Policy

The purpose of CTAC's investment policy is to set forth the investment objectives and parameters for the management of public funds, the availability of operating funds when needed, and an investment return competitive with market rates.

CTAC's policy is written in accordance with Section 218.415, Florida Statutes, which applies to funds under control of local governments and special districts. The policy and any subsequent revisions are approved by CTAC Members.

Deposits

Banks qualified as public depositories under Florida law hold cash deposits of CTAC. In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or banking institution eligible collateral. As of September 30, 2024, CTAC's bank balance was \$1,841,554 and the carrying value was \$1,776,978.

The pooled cash balance of CTAC also included \$12,182,833 at September 30, 2024, in Florida Prime, which is reported at amortized costs. Florida Prime is rated AAAM by Standard and Poor's, and had a weighted average days to maturity of 39 days at September 30, 2024.

Investments

CTAC's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes. Among other investments, the policy allows CTAC to invest in the State Board of Administration Local Government Surplus Trust Funds, which is the only investment vehicle CTAC is currently utilizing.

Cash placed with the State Board of Administration represents CTAC's participation in the Local Government Surplus Trust Funds Investment Pool (Florida Prime) and is reported at fair value. As a pool participant CTAC invests in pools of investments in which shares are owned in the pool rather than the underlying investments.

CTAC categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The 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. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. CTAC uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets

**CHILDREN’S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

that are not active. Level 3 is the least reliable and uses significant unobservable inputs that use the best information available under the circumstances, which includes CTAC’s own data in measuring unobservable inputs.

As of September 30, 2024, CTAC did not hold any investments that meet the criteria described above.

Interest Rate Risk

Section 218.415(6), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. CTAC has a formal investment policy operating surplus funds that limits investments maturities to 3 years as a means of managing its exposure to fair value losses from increasing interest rates. Investment of non-operating funds, including construction funds, can have maturities that do not exceed 5.50 years.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. CTAC’s investment policy limits its investments to high quality investments to control credit risk.

Custodial Credit Risk

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, CTAC will not be able to recover the value if its investment or collateral securities that are in possession of an outside party. CTAC’s investment policy requires execution of a third-party custodial safekeeping agreement for all purchased securities and requires that securities be held in CTAC’s name. As of September 30, 2024, CTAC did not own any securities that were required to be held in custodial safekeeping.

Note 3 - Receivables

The majority of receivables are due from other governmental and grantee agencies. CTAC has determined that an allowance for doubtful accounts is not necessary.

Receivables at September 30, 2024, consisted of the following:

Due From Other Governments - Tax Collector	\$	3,529
--	----	-------

Note 4 - Interfund Transfers

Interfund transfers are summarized below. They are consistent with the purpose of the fund making the transfer. Transfers from the General Fund were for the purchase of a new office building and the related renovation expenses.

	Transfer In	Transfer Out
General Fund	\$ -	\$ 1,000,000
Capital Projects Fund	1,000,000	-
Total	\$ 1,000,000	\$ 1,000,000

**CHILDREN'S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 5 - Long-Term Liabilities

A summary of changes in long-term liabilities is as follows:

	Balance October 1, 2023	Additions	(Deletions)	Balance September 30, 2024	Due Within One Year
Compensated Absences	\$ 40,122	\$ 42,629	\$ (29,972)	\$ 52,779	\$ 39,585
Leases	6,059	-	(2,604)	3,455	2,745
Subscription-Based IT Arrangement	59,249	-	(28,860)	30,389	30,389
Net OPEB Liability	100,996	-	(11,679)	89,317	-
Net Pension Liability	1,090,663	46,243	-	1,136,906	-
Total	\$ 1,297,089	\$ 88,872	\$ (73,115)	\$ 1,312,846	\$ 72,719

Note 6 - State of Florida Pension Plans

CTAC participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability, or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS 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. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

CHILDREN'S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

The benefits under the HIS program are described in Section 112.363, Florida Statutes. In general, an eligible retiree is entitled to a benefit of \$7.50 per month per year of service, with a minimum benefit of \$45 per month and maximum benefit of \$225 per month. The retiree must apply for and provide certification of health insurance coverage to be eligible for the subsidy.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2024, were as follows:

<u>Class</u>	<u>Year Ended June 30, 2024</u>		<u>Year Ended June 30, 2025</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (2)</u>	<u>Employee</u>	<u>Employer (2)</u>
FRS, Regular	3.00	11.51	3.00	13.63
FRS, Elected County Officers	3.00	56.62	3.00	58.68
FRS, Senior Management Service	3.00	32.46	3.00	34.52
DROP – Applicable to Members From All of the Above Classes	0.00	19.13	0.00	21.13
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

Notes: (1) Contribution rates are dependent upon retirement class in which reemployed.

(2) These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for HIS Program of 2.00% for the Plan fiscal year-end 2024, 2.00% for the Plan fiscal year-end 2025, and the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools for both plans.

The employer's contributions for the year ended September 30, 2024, were \$119,644 to the FRS Pension Plan and \$19,861 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2024, CTAC reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2024. The total pension liabilities of the FRS Pension Plan and HIS Program were determined by actuarial valuations dated July 1, 2024. CTAC's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>
Net Pension Liability	\$ 790,502	\$ 346,404
Proportion at:		
Current Measurement Date	0.002043%	0.002309%
Prior Measurement Date	0.001865%	0.002189%
Increase in Proportionate Share	0.000178%	0.000120%
Pension Expense	\$ 228,589	\$ 55,912

CHILDREN'S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2024, CTAC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 79,862	\$ -	\$ 3,345	\$ (665)
Changes of Assumptions	108,346	-	6,131	(41,010)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(52,541)	-	(125)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	270,647	-	138,406	-
Employer Contributions Subsequent to the Measurement Date	33,353	-	5,433	-
Total	<u>\$ 492,208</u>	<u>\$ (52,541)</u>	<u>\$ 153,315</u>	<u>\$ (41,800)</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2025.

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

<u>Year Ending September 30,</u>	<u>FRS</u>	<u>HIS</u>
2025	\$ 96,737	\$ 36,562
2026	226,579	35,335
2027	56,409	23,128
2028	16,201	9,637
2029	10,388	1,468
Thereafter	-	(48)
Total	<u>\$ 406,314</u>	<u>\$ 106,082</u>

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2024, and determined by actuarial valuations dated July 1, 2024 for FRS and July 1, 2024 for HIS. Both plans use the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation	2.40%	2.40%
Payroll Growth, Including Inflation	3.50%	3.50%
Investment Rate of Return	6.70%	N/A
Discount Rate	6.70%	3.93%

**CHILDREN’S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Mortality assumptions for both plans were based on the PUB-2010 base tables projected generationally with Scale MP-2021.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The following changes in key actuarial assumptions occurred in 2024:

FRS

- There were no changes in key actuarial assumptions in 2024.

HIS

- The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.65% to 3.93%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation.

For the FRS Pension Plan, the table below summarizes the consulting actuary’s assumptions based on the long-term target asset allocation:

<u>Asset Class</u>	<u>Annual Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Geometric Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
Total	100%			

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70% and consisted of two building block components: 1) a real return of 4.2% and 2) a long-term average annual inflation assumption of 2.4%. The 6.7% rate of return assumption is reasonable and appropriate per actuarial Standards of Practice.

The discount rate used for calculating the total HIS pension liability is equal to the single rate that results in the same actuarial present value as would be calculated by using two different discount rates for the discount at the long-term expected rate of return for benefit payments prior to the projected depletion of the fiduciary net pension (trust assets) and the discount at a municipal bond rate for benefit payments after the projected depletion date. Because the HIS Program is essentially funded on a pay-as-you-go basis and the depletion date is considered to be immediate, the single municipal bond rate of 3.93% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Year Municipal Bond Index was used as the applicable municipal bond index.

**CHILDREN’S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer’s proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Employer’s Proportionate Share of the Net Pension Liability	\$ 1,390,465	\$ 790,502	\$ 287,905	\$ 394,336	\$ 346,404	\$ 306,612

Pension Plans’ Fiduciary Net Position

Detailed information about the pension plans’ fiduciary net position is available in the state’s separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the FRS in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2024, totaled \$44,133.

Note 7 - Postemployment Benefits Other Than Pensions (OPEB)

Plan Description - CTAC employees are provided with OPEB through the Alachua County OPEB Plan, a cost-sharing multiple employer defined benefit OPEB Plan administered by the Alachua County Board of County Commissioners (the County). The County can amend the benefit provisions provided by the OPEB Plan. The County established the Alachua County OPEB Trust, a qualifying trust, with the adoption of resolution 08-104. A separate stand-alone financial statement for the OPEB Plan is not prepared.

Benefits Provided - The OPEB Plan provides postemployment life insurance benefits, as well as, both an explicit and implicit health insurance subsidy for retirees and eligible dependents of the CTAC, Clerk of Court, Supervisor of Elections, Property Appraiser, Sheriff, Tax Collector, Library District, and County.

The life insurance benefit is provided at no charge to retirees. The life insurance benefit is \$15,000 for all retirees under the age of 65 and \$5,000 for retirees age 65 and older.

An explicit monthly health insurance subsidy is provided to retirees with at least 6 years of service who retire and begin receiving benefits from the FRS. Retirees must maintain health care coverage after employment to be eligible for the subsidy. The amount of the monthly subsidy is based on the number of years of total service with CTAC and is equal to \$7.50 a month for each year of service. The minimum monthly subsidy is \$45 and the maximum monthly subsidy is \$225 for employees that retire with 30 or more years of service.

CHILDREN'S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Additionally, in accordance with Florida Statute 112.0801, currently, active CTAC employees who retire and immediately begin receiving benefits from FRS have the option of paying premiums to continue in the County's Self-funded Health Insurance Plan at the same group rate as active employees. The retiree pays 100% of the blended group rate premium therefore receiving an implicit subsidy.

Contributions - The contribution requirements of plan members and the participating employers are established and may be amended by the County. CTAC's required contribution, actuarially determined, is based on a combination of projected pay-as-you-go financing, with an additional amount to prefund benefits when earned. Contributions are not based on a measure of pay. CTAC's actuarially determined contribution for the year ended September 30, 2024, was \$11,558. Actual contributions to the OPEB Plan from CTAC were \$8,718 for the year ended September 30, 2024. CTAC retiree plan members receiving benefits contributed to pay-as-you-go financing through their required contributions of \$757.42 per month for retiree-only coverage, \$1,810.56 per month for retiree and spouse coverage and \$2,552.48 per month for family coverage.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At September 30, 2024, CTAC reported a liability of \$89,317 for its proportionate share of the net OPEB liability. The net OPEB liability was determined by a simplified actuarial valuation as of September 30, 2024. CTAC's proportion of the net OPEB liability was based on employee headcount. At the measurement date, September 30, 2024, CTAC's proportion of net OPEB liability was 0.31%, which was the same proportion as the prior year.

For the year ended September 30, 2024, CTAC recognized OPEB expense of \$10,791. At September 30, 2024, CTAC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 20,934	\$ (515)
Changes of Assumptions or Other Inputs	12,444	(15,777)
Net Difference Between Projected and Actual Investments	-	(833)
Total	\$ 33,378	\$ (17,125)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30,	Amount
2025	\$ 1,808
2026	1,998
2027	1,745
2028	1,786
2029	2,024
Thereafter	6,892
Total	\$ 16,253

CHILDREN'S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Actuarial Methods and Assumptions - The total OPEB liability in the September 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation Rate	2.0%
Projected Annual Salaries Increase	3.5%
Investment Rate of Return	6.98%, based on expected long-term rate of return where assets are projected to cover all future benefit payments.
Healthcare Cost Trend Rate	6.75% initial year reduced 0.25% each year until reaching ultimate trend rate of 4.0%.
Mortality	PUB-2010 generational table scaled using MP-2021 and applied on a gender-specific basis.

An actuarial experience study has not yet been performed for the plan.

The long-term expected rate of return is based on Plan investments where assets are projected to cover all future benefit payments. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Rate of Return (with Inflation)</u>
Broad Market HQ Bond Fund	14.10%	0.76%
Core Plus Fixed Income	13.10%	-0.88%
Diversified Large Cap	27.00%	10.82%
Core Real Estate	12.60%	6.15%
Diversified Small to Mid Cap	14.40%	11.26%
International Blend	19.50%	2.82%
Cash (T-Bill)	-0.70%	0.00%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total OPEB liability was 6.98%. The discount rate is based on the expected long-term rate of return on plan investments where assets are projected to cover all future benefit payments.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents CTAC's proportionate share of the net OPEB liability, as well as what CTAC's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (5.98%) or 1 percent point higher (7.98%) than the current discount rate:

	<u>1% Decrease (5.98%)</u>	<u>Current Discount Rate (6.98%)</u>	<u>1% Increase (7.98%)</u>
Net OPEB Liability	\$ 101,494	\$ 89,317	\$ 79,329

**CHILDREN’S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents CTAC’s proportionate share of the net OPEB liability, as well as what CTAC’s proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percent lower (5.75%) or 1 percent point higher (7.75%) than the current healthcare cost trend rates:

	1% Decrease (5.75%) Decreasing to 3.00%)	Current Discount Rate (6.75%) Decreasing to 4.00%)	1% Increase (7.75%) Decreasing to 5.00%)
Net OPEB Liability	\$ 85,538	\$ 89,317	\$ 94,234

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued Alachua County Board of County Commissioners annual financial report.

Note 8 - Capital Assets

Capital asset activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ -	\$ 476,780	\$ -	\$ 476,780
Construction in Progress	-	38,520	-	38,520
Total Not Being Depreciated	-	515,300	-	515,300
Capital Assets Being Depreciated				
Building	-	1,460,987	-	1,460,987
Building Improvements-Renovations	-	84,123	-	84,123
Total Being Depreciated	-	1,545,110	-	1,545,110
Less Accumulated Depreciation for				
Building	-	(33,481)	-	(33,481)
Building Improvements-Renovations	-	(2,494)	-	(2,494)
Total Accumulated Depreciation	-	(35,975)	-	(35,975)
Total Being Depreciated, Net	-	1,509,135	-	1,509,135
Capital Assets, Net	\$ -	\$ 2,024,435	\$ -	\$ 2,024,435

Depreciation expense was charged to functions as follows:

Program - Children’s Services	\$ 19,185
Administration	16,790
Total Depreciation Expense	\$ 35,975

CHILDREN'S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 9 - Right-to-Use Assets

Right-to-use assets include leases and SBITAs. Right-to-use asset activity for the fiscal year ended September 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Leased Assets Being Amortized				
Copier	\$ 7,958	\$ -	\$ -	\$ 7,958
Less Accumulated Amortization	(1,990)	(2,653)	-	(4,643)
Total Leased Assets Being Amortized, Net	<u>5,968</u>	<u>(2,653)</u>	<u>-</u>	<u>3,315</u>
SBITA Assets Being Amortized				
Software	75,249	-	-	75,249
Less Accumulated Amortization	(18,812)	(25,084)	-	(43,896)
Total SBITA Assets Being Amortized, Net	<u>56,437</u>	<u>(25,084)</u>	<u>-</u>	<u>31,353</u>
Total Right-to-Use Assets Being Amortized, Net	<u>\$ 62,405</u>	<u>\$ (27,737)</u>	<u>\$ -</u>	<u>\$ 34,668</u>

Note 10 - Leases

CTAC leased office space under a lease that is cancelable under certain circumstances. The lease is accounted for as an operating lease. During the fiscal year ended September 30, 2024, the lease payments for operating leases totaled \$29,940.

CTAC entered into a lease agreement for the use of a copier for 36 months in fiscal year 2023. CTAC is required to make monthly payments of \$239. CTAC's lease liability is being amortized at a rate of 5.3%.

See Note 5 for a summary of the lease liability balances as of September 30, 2024. Principal and interest components of future minimum lease payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 2,745	\$ 117
2026	710	6
Total	<u>\$ 3,455</u>	<u>\$ 123</u>

Note 11 - Subscription-Based Information Technology Arrangements

CTAC entered into a SBITA for the use of software for tracking program funding for 33 months in fiscal year 2023. CTAC is required to make yearly payments of \$32,000. CTAC's SBITA liability is amortized at a rate of 5.3%. See Note 5 for a summary of SBITA liabilities as of September 30, 2024. Principal and interest components of future minimum SBITA payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 30,389	\$ 1,611

**CHILDREN’S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 12 - Risk Management

CTAC 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. CTAC purchases commercial insurance coverage to cover the various risks. There have been no significant reductions in insurance coverage and there were no settled claims which exceeded insurance coverage in the last year.

Note 13 - Commitments and Contingencies

At September 30, 2024, CTAC had tentatively approved funding for next year’s programs in the amount of \$12,027,891.

Note 14 - Grants

CTAC provides coordination, evaluation, and funding of various programs for children which are administered by organizations throughout Alachua County, Florida in the following program areas:

1. All children are born healthy and remain healthy.
2. All children can learn what they need to be successful.
3. All children have nurturing, supportive caregivers and relationships.
4. All children live in a safe community.

As of September 30, 2024, \$3,247,504 of \$10,273,302 that CTAC awarded for grants in the 2024 budget has not been expended.

Total Program Grants Awarded as of September 30, 2024	\$	10,273,302
Total Expended Through September 30, 2024		(7,025,798)
Grants Outstanding at September 30, 2024		<u>\$ 3,247,504</u>

Note 15 - Board-Assigned Fund Balance

CTAC has assigned fund balance as follows as of September 30, 2024:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Assigned – Grants Outstanding and Carryover to Fiscal Year 2025	\$ 3,247,504	\$ -	\$ 3,247,504
Assigned – Subsequent Year’s Reserves	877,415	-	877,415
Assigned – Building	-	1,095,843	1,095,843
Total Assigned	<u>\$ 4,124,919</u>	<u>\$ 1,095,843</u>	<u>\$ 5,220,762</u>

Note 16 - Interlocal Agreement

On September 28, 2021, CTAC entered into an interlocal agreement with the County Clerk of Court and the Board and then subsequently extended the interlocal agreement on November 16, 2023, for the provision of the following services for period October 1, 2023 through September 30, 2024:

CHILDREN'S TRUST OF ALACHUA COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

- 1) The County to provide New World Technical Support, Risk Management, IT, Legal, and Financial Software Hosting services for CTAC at a not to exceed cost of \$30,750, plus hourly charges for New World Technical Support.

Note 17 - Subsequent Event

CTAC has evaluated subsequent events through the date the financial statements were available to be issued and determined there were no events that occurred that required disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

CHILDREN'S TRUST OF ALACHUA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Ad Valorem Taxes	\$ 9,412,041	\$ 9,412,041	\$ 9,478,822	\$ 66,781
Interest and Other Income	425,000	425,000	799,722	374,722
Total Revenues	<u>9,837,041</u>	<u>9,837,041</u>	<u>10,278,544</u>	<u>441,503</u>
Expenditures				
Program - Children's Services:				
Personal Services	1,134,636	1,213,436	817,592	395,844
Operating	333,279	333,279	223,329	109,950
Grant Awards	10,273,302	10,273,302	7,025,798	3,247,504
Total Program	<u>11,741,217</u>	<u>11,820,017</u>	<u>8,066,719</u>	<u>3,753,298</u>
Administration:				
Personal Services	342,379	367,777	604,000	(236,223)
Operating	1,222,988	1,222,988	871,227	351,761
Reserve for Contingencies	877,415	877,415	-	877,415
Total Administration	<u>2,442,782</u>	<u>2,468,180</u>	<u>1,475,227</u>	<u>992,953</u>
Debt Service:				
Principal	-	-	31,464	(31,464)
Interest	-	-	3,399	(3,399)
Total Debt Service	<u>-</u>	<u>-</u>	<u>34,863</u>	<u>(34,863)</u>
Total Expenditures	<u>14,183,999</u>	<u>14,288,197</u>	<u>9,576,809</u>	<u>4,711,388</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,346,958)</u>	<u>(4,451,156)</u>	<u>701,735</u>	<u>5,152,891</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(1,040,000)</u>	<u>(1,040,000)</u>	<u>(1,000,000)</u>	<u>40,000</u>
Total Other Financing Sources (Uses)	<u>(1,040,000)</u>	<u>(1,040,000)</u>	<u>(1,000,000)</u>	<u>40,000</u>
Fund Balances - Beginning of Year	<u>10,500,000</u>	<u>10,500,000</u>	<u>10,611,094</u>	<u>111,094</u>
Fund Balances - End of Year	<u>\$ 5,113,042</u>	<u>\$ 5,008,844</u>	<u>\$ 10,312,829</u>	<u>\$ 5,303,985</u>

Notes to Budgetary Schedule:

The budget is prepared by the Board of Directors. The final budgeted revenues and expenditures reflect all amendments approved by the Board of Directors. The budget is prepared on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The fund is the legal level of control.

CHILDREN'S TRUST OF ALACHUA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions from Private Sources	\$ -	\$ 350,926	\$ 371,759	\$ 20,833
Intergovernmental Revenues	55,000	55,000	-	(55,000)
Interest and Other Income	-	-	2,583	2,583
Total Revenues	<u>55,000</u>	<u>405,926</u>	<u>374,342</u>	<u>(31,584)</u>
Expenditures				
Program - Children's Services:				
Operating	95,000	95,000	53,128	41,872
Grant Awards	106,709	426,800	349,737	77,063
Total Expenditures	<u>201,709</u>	<u>521,800</u>	<u>402,865</u>	<u>118,935</u>
Excess of Revenues Over (Under) Expenditures	<u>(146,709)</u>	<u>(115,874)</u>	<u>(28,523)</u>	<u>87,351</u>
Other Financing Sources (Uses)				
Transfers In	40,000	40,000	-	(40,000)
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Fund Balances - Beginning of Year	<u>106,709</u>	<u>75,874</u>	<u>117,352</u>	<u>41,478</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,829</u>	<u>\$ 88,829</u>

Notes to Budgetary Schedule:

The budget is prepared by the Board of Directors. The final budgeted revenues and expenditures reflect all amendments approved by the Board of Directors. The budget is prepared on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The fund is the legal level of control.

CHILDREN'S TRUST OF ALACHUA COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS *

	2024	2023	2022	2021
Florida Retirement System (FRS)				
Employer's Proportion of the Net Pension Liability (Asset)	0.002043%	0.001865%	0.001553%	0.000774%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 790,502	\$ 743,031	\$ 577,811	\$ 58,433
Employer's Covered Payroll	\$ 989,674	\$ 854,584	\$ 670,705	\$ 330,081
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	79.87%	86.95%	86.15%	17.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.70%	82.38%	82.89%	96.40%
Health Insurance Subsidy Program (HIS)				
Employer's Proportion of the Net Pension Liability (Asset)	0.002309%	0.002189%	0.001840%	0.000889%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 346,404	\$ 347,632	\$ 194,884	\$ 108,990
Employer's Covered Payroll	\$ 989,674	\$ 854,584	\$ 670,705	\$ 330,081
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	35.00%	40.68%	29.06%	33.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.80%	4.12%	4.81%	3.56%

Notes to Schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30 of the current fiscal year.

*GASB Statement No. 68 was implemented in 2021. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

**CHILDREN'S TRUST OF ALACHUA COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS ***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Florida Retirement System				
Contractually Required Contribution	\$ 119,644	\$ 100,517	\$ 68,339	\$ 46,006
Contributions in Relation to the Contractually Required Contribution	<u>(119,644)</u>	<u>(100,517)</u>	<u>(68,339)</u>	<u>(46,006)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Payroll	\$ 1,038,913	\$ 920,275	\$ 738,470	\$ 468,440
Contributions as a Percentage of Covered Payroll	11.52%	10.92%	9.25%	9.82%
 Health Insurance Subsidy Program				
Contractually Required Contribution	<u>\$ 19,861</u>	<u>\$ 16,098</u>	<u>\$ 12,259</u>	<u>\$ 7,520</u>
Contributions in Relation to the Contractually Required Contribution	<u>(19,861)</u>	<u>(16,098)</u>	<u>(12,259)</u>	<u>(7,520)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Payroll	\$ 1,038,913	\$ 920,275	\$ 738,470	\$ 468,440
Contributions as a Percentage of Covered Payroll	1.91%	1.75%	1.66%	1.61%

Notes to Schedules:

*GASB Statement No. 68 was implemented in 2021. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

CHILDREN'S TRUST OF ALACHUA COUNTY
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS
LAST 10 FISCAL YEARS *

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Proportionate Share				
Proportion of the Net OPEB Liability	0.31%	0.31%	0.20%	0.20%
Proportionate Share of the Net OPEB Liability	\$ 89,317	\$ 100,996	\$ 31,844	\$ 24,922
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.01%	6.79%	12.05%	16.88%
Contributions				
Contractually Required Contribution	\$ 11,558	\$ 5,479	\$ 3,553	\$ 2,518
Contributions in Relation to the Contractually Required Contribution	8,718	5,740	6,398	4,198
Contribution Deficiency (Excess)	<u>\$ 2,840</u>	<u>\$ (261)</u>	<u>\$ (2,845)</u>	<u>\$ (1,680)</u>

Notes to Schedules:

Contributions to the OPEB plan are not based on a measure of pay, therefore, no measure of payroll is presented.

*GASB Codification P52 requires an employer to disclose a 10-year history. However, until a full 10-year trend is compiled, information for those years for which it is available will be presented.

SUPPLEMENTARY INFORMATION

**CHILDREN'S TRUST OF ALACHUA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest and Other Income	\$ -	\$ -	\$ 34,975	\$ 34,975
Total Revenues	<u>-</u>	<u>-</u>	<u>34,975</u>	<u>34,975</u>
Expenditures				
Program - Children's Services:				
Operating	-	37,000	-	37,000
Capital Outlay	3,000,000	2,963,000	2,070,509	892,491
Total Expenditures	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,070,509</u>	<u>929,491</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(2,035,534)</u>	<u>964,466</u>
Other Financing Sources (Uses)				
Transfers In	1,000,000	1,000,000	1,000,000	-
Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,131,377</u>	<u>131,377</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,095,843</u>	<u>\$ 1,095,843</u>

Notes to Budgetary Schedule:

The budget is prepared by the Board of Directors. The final budgeted revenues and expenditures reflect all amendments approved by the Board of Directors. The budget is prepared on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The fund is the legal level of control.

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

To CTAC Members
Children's Trust of Alachua County
Gainesville, Florida

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 each major fund of the Children's Trust of Alachua County (CTAC) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise CTAC's basic financial statements, and have issued our report thereon dated May 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CTAC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CTAC's internal control. Accordingly, we do not express an opinion on the effectiveness of CTAC'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of CTAC'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 over financial reporting 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. As described below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

To CTAC Members
Children's Trust of Alachua County
Gainesville, Florida

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

2024-01

■ **Bank Reconciliations**

Condition - Timely and accurate bank reconciliations are a key component of internal control over multiple financial reporting processes, including cash receipting, cash disbursements, and payroll functions, as one of the means of detecting possible errors or irregularities. Bank reconciliations were not completed on a timely basis throughout the fiscal year. Additionally, during the audit and upon reconciliation of cash, adjustments were necessary to correct cash balances and an unreconciled variance of \$40,709 remained between the bank balance and general ledger as of September 30, 2024.

Effect - Lack of timely and accurate bank reconciliations could result in errors or irregularities not being detected on a timely basis. Upon reconciliation of cash by CTAC, adjustments were made to correct cash balances and an unreconciled variance of \$40,709 remained between the bank balance and general ledger as of September 30, 2024.

Recommendation - We recommend CTAC implement procedures to ensure that all bank accounts are reconciled within the following month, and that any identified discrepancies be promptly investigated and corrected.

2024-02

■ **Financial Close and Reporting**

Condition - At the commencement of final fieldwork, the preliminary working trial balance did not reflect all the required closing entries. As a result, several adjustments were required after we began the audit process, including entries to record compensated absences activity, reclass and record payables, record lease and SBITA activity, correct and record interest, and record capital assets.

Effect - The lack of an effective financial close and reporting process increases the risk that material misstatements will not be detected in a timely manner. It also results in delays in performing and completing the audit.

Recommendation - We recommend CTAC evaluate its monthly and annual financial close and reporting process to reduce the risk of inaccurate financial information during the year and at year-end.

Report on Compliance and Other Matters

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

To CTAC Members
Children’s Trust of Alachua County
Gainesville, Florida

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

CTAC’s Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on CTAC’s response to the findings identified in our audit and disclosed in the accompanying management’s response. CTAC’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 CTAC’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CTAC’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

May 22, 2025
Gainesville, Florida

MANAGEMENT LETTER

To CTAC Members
Children’s Trust of Alachua County
Gainesville, Florida

Report on the Financial Statements

We have audited the financial statements of the Children’s Trust of Alachua County (CTAC) as of and for the year ended September 30, 2024, and have issued our report thereon dated May 22, 2025.

Auditor’s 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 Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant’s Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *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 May 22, 2025, 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 annual financial report.

Tabulation of Uncorrected Findings		
Current Year Finding #	2022-23 FY Finding #	2021-22 FY Finding #
2024-1	2023-1	N/A
2024-2	2023-2	N/A
N/A	2023-3	N/A

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires 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 name and legal authority for CTAC were disclosed in the notes to the financial statements. There were no component units related to CTAC.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

To CTAC Members
Children's Trust of Alachua County
Gainesville, Florida

MANAGEMENT LETTER

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 CTAC 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 CTAC 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 conditions assessment procedures for CTAC. It is management's responsibility to monitor CTAC's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

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.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, CTAC is required to include a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within CTAC's geographical boundaries during the fiscal year under audit. CTAC has not authorized the operation of a PACE program, and management is not aware of the operation of any such program, within its geographical boundaries

Special District Component Units

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

Specific Information

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

UNAUDITED

- a. The total number of CTAC employees compensated in the last pay period of CTAC's fiscal year as 16.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of CTAC's fiscal year as 7.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$1,107,148.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$650,622.

To CTAC Members
Children's Trust of Alachua County
Gainesville, Florida

MANAGEMENT LETTER

- e. Each construction project with a total cost of at least \$65,000 approved by CTAC that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as \$194,124 for CTAC Building Renovations.
- f. A budget variance based in the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if CTAC amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$0.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, *Rules of the Auditor General*, CTAC reported:

- a. The millage rate imposed by CTAC as 0.4612.
- b. The total amount of ad valorem taxes collected by or on behalf of CTAC as \$9,478,822.
- c. The total amount of outstanding bonds issued by CTAC and the terms of such bonds as \$0.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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 which 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 Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the CTAC members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

May 22, 2025
Gainesville, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTE, SECTION 218.415 – INVESTMENT OF PUBLIC FUNDS

To CTAC Members
Children's Trust of Alachua County
Gainesville, Florida

We have examined the Children's Trust of Alachua County's (CTAC) compliance with Section 218.415, Florida Statutes during the year ended September 30, 2024. CTAC management is responsible for CTAC's compliance with those requirements. Our responsibility is to express an opinion on CTAC's compliance 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 CTAC complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether CTAC complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on auditor judgment, including assessment of the risks of material non-compliance, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, CTAC complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2024.

This report is intended solely for the information and use of the Florida Auditor General, CTAC Members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

May 22, 2025
Gainesville, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants



May 22, 2025

Purvis, Gray & Company, LLP
222 NE 1st Street
Gainesville, FL 32601

RE: Management Response to Findings, FY 2024 Independent Financial Audit

This correspondence is Management's formal response to PurvisGray's Report on Internal Control Over Financial Reporting identifying certain areas of deficiency considered to be material weaknesses. The Children's Trust of Alachua County (CTAC) takes seriously the importance of strong financial controls to prevent losses due to errors or fraud. Strong financial controls help identify potential risks, inform management decisions on resource allocation, and promote financial stability.

The following outline specifies the areas of deficiency from the financial audit, detailing the condition, effect, and recommendation.

2024-01 | Bank Reconciliations

Condition – Timely and accurate bank reconciliations are a key component of internal control over multiple financial reporting processes, including cash receipting, cash disbursements, and payroll functions, as one of the means of detecting possible errors or irregularities. Bank reconciliations were not completed on a timely basis throughout the fiscal year. Additionally, during the audit and upon reconciliation of cash, adjustments were necessary to correct cash balances and an unreconciled variance of \$40,709 remained between the bank balance and general ledger as of September 30, 2024.

Effect – Lack of timely and accurate bank reconciliations could result in errors or irregularities not being detected on a timely basis. Upon reconciliation of cash by CTAC, adjustments were made to correct cash balances and an unreconciled variance of \$40,709 remained between the bank balance and general ledger as of September 30, 2024.

Recommendation – We recommend CTAC implement procedures to ensure that all bank accounts are reconciled within the following month, and that any identified discrepancies be promptly investigated and corrected.

2024-02 | Financial Close and Reporting

Condition – At the commencement of final fieldwork, the preliminary working trial balance did not reflect all the required closing entries. As a result, several adjustments were required after we began the audit process, including entries to record compensated absences activity, reclass and record payables, record lease and SBITA activity, correct and record interest, and record capital assets.

Effect – The lack of an effective financial close and reporting process increases the risk that material misstatements will not be detected in a timely manner. It also results in delays in performing and completing the audit.

Recommendation – We recommend CTAC evaluates its monthly and annual financial close and reporting process to reduce the risk of inaccurate financial information during the year and at year-end.

The combination of deficiencies identified in the financial audit creates a reasonable possibility of a material misstatement in CTAC’s financial statements. Management understands internal controls are designed to provide reasonable assurance about the achievement of our business objectives by ensuring reliable financial reports, effective and efficient operations, and compliance with applicable laws and regulations. CTAC has formulated the following action plan to correct the material weaknesses identified in the financial audit to ensure an effective control environment.

2024-01 | Bank Reconciliations

Management will implement bank reconciliation procedures to prevent errors, omissions, and fraud while ensuring the prompt detection and investigation of any discrepancies. The procedures will compare data from bank statements, ledgers, invoices, and receipts to identify any inconsistencies. The procedures will include an emphasis on timely intervention. Each monthly bank reconciliation will be completed by the 15th calendar day in the following month.

Employee knowledge and training is an important component of effective internal controls. Management will educate and train employees on the bank reconciliation procedures, ensuring they understand the impact on their regular routines and the importance of completing their work timely and correctly.


2024-02 | Financial Close and Reporting

Management will implement a monthly financial close and reporting process that includes a checklist identifying task descriptions, prioritization, preparers, and reviewers. The month-end closing process will ensure errors are proactively identified and corrected, resulting in improved reporting of financial results. The financial close and reporting process will be completed within the following month.

Solid reconciliation procedures help prevent errors, omissions, and fraud while enabling prompt detection of any discrepancies. Management will conduct periodic reviews of CTAC’s reconciliation process to ensure continuous improvement in identifying potential vulnerabilities and provide regular reports to the Finance Committee.

Management is committed to implementing the action plan that corrects the material weaknesses identified in the FY2024 Independent Financial Audit. We have taken immediate action to move the action plan forward with the goal of having the full plan implemented no later than September 30, 2025. The CTAC Finance Committee and Board will receive monthly updates on the progress of implementation.

Respectfully submitted,



Marsha Kiner, MS, CAE
Executive Director

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com