



FY 2026 Combined Footnotes and Annotations to the Financial Statements

For the Period Ending October 31, 2025

Children's Trust of Alachua County

Note 1 – Classification of Miscellaneous Revenue

- Miscellaneous Revenue consists of Interest Earnings, Other Earnings, and Rent Revenue.
- For FY 2026, the combined budget for these items is \$587,496. These revenue categories have been separated into their respective GL accounts to ensure accurate representation of the budget allotments and corresponding current-year actuals.
- Interest earnings are derived from the SBA Prime Account. Interest income is allocated across all governmental funds and other funds consistent with GASB guidance.
- \$150.00 of other revenue includes \$150.00 for a public records request

Note 2 – Distinction Between Revenues and Financing Sources

Certain budgeted line items historically presented as revenues are, under GASB standards, properly classified as Other Financing Sources. These include Transfers Out, Appropriated Reserves, and Use of Fund Balance. These amounts represent internal reallocations of CTAC's retained fund balance rather than external inflows. For GASB reporting, these amounts are properly reflected on the Balance Sheet or classified as Other Financing Sources (Uses) rather than Revenue.

Note 3 – Use of Fund Balance

Amounts shown as "Use of Fund Balance" in the budget represent planned application of CTAC's accumulated financial resources to support programmatic, operational, and capital initiatives. These amounts are not revenues and are recognized as Non-Operating Sources Ending Fund Balance. For budget-to-actual presentation they may appear under Revenues, but for financial reporting they should be recorded on the Balance Sheet.

Note 4 – Capital Transfers

"Capital Transfer In" and "Capital Transfer Out" represent the reallocation of CTAC retained reserves between operating and capital funds. These transactions do not constitute revenue as they are reclassifications of CTAC's retained fund balance. For proper GASB presentation, capital transfers are reported as Other Financing Sources (Uses) to ensure alignment across budgeted revenues, expenditures, and fund balance activity.



Note 5 – Capital Outlay and Depreciation

The capital outlay expense of \$16,666.67 for October represents the monthly amortization of the \$200,000 annual capital budget for facilities and improvements. Depreciation expense includes amortization of the building, improvements, lease assets and capitalized software.

Note 6 – Presentation of Accounts Payable and Contract Liabilities

Accounts Payable includes operational payables and provider contract liabilities. Future financial reporting will separately classify Accounts Payable (Operating) and Contracts Payable (Programmatic) to enhance transparency and accuracy under GASB standards.

Note 7 – Due to Other Governments

“Due to Other Governments” represents GASB-required current portions of long-term liabilities including software leases, SBITA obligations, software amortization and depreciation, compensated absences, and OPEB. These balances do not represent vendor payables or operational obligations. This includes:

- Software Leases (GASB 87): CTAC records lease liabilities for subscription-based software agreements. The current portion of these obligations is reported as Due to Other Governments in governmental fund statements.
- Subscription-Based IT Arrangements (GASB 96): Under GASB 96, CTAC records right-to-use assets, amortization, and subscription liabilities. The current portion of subscription payments is reported as Due to Other Governments.
- Compensated Absences (GASB 16): CTAC records unused leave benefits as long-term compensated absences. The current portion of this liability is reported as Due to Other Governments in accordance with modified accrual reporting.
- Other Post-Employment Benefits (OPEB) (GASB 75): CTAC recognizes its proportionate share of OPEB liabilities. The current portion is recorded as Due to Other Governments for reporting consistency.