

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

We have audited the financial statements of the governmental activities and each major fund of the Children’s Trust of Alachua County (CTAC) for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, *Rules of the Auditor General*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 10, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by CTAC are described in Note 1 to the financial statements. During the year ended September 30, 2023, CTAC adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based Information Technology Arrangements* (SBITAs), as described in Note 1 to the financial statements. The accounting change was implemented as of October 1, 2022. Therefore, there was no impact on prior reported periods. We noted no transactions entered into by CTAC during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management’s estimate of the net Other Postemployment Benefits (OPEB) liability for CTAC’s OPEB provided to its employees is based on an actuarial valuation performed by a qualified actuary. The net OPEB liability represents the difference between the value of OPEB plan assets and the total OPEB liability, which is measured using various actuarial assumptions. These actuarial assumptions, if changed, could have a significant impact on the recorded amounts.

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- As a participating employer in the Florida Retirement System (FRS), a cost-sharing multiple-employer pension plan, CTAC records its share of the FRS net pension liability and deferred outflows and inflows. These amounts are based on an actuarial valuation performed by a qualified actuary retained by the FRS. The net pension liability represents the difference between the value of pension plan assets and the total pension liability, which is measured using various actuarial assumptions. Further, CTAC’s allocation of the total net pension is based on its contributions for the year as a percentage of total contributions into the plan. If these assumptions were changed, the reported amounts could have a significant impact on the amounts recorded.

We evaluated the key factors and assumptions used to develop the estimates described above in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with CTAC management in performing and completing our audit; however, commencement of the audit was delayed due to timing of receipt of requested audit documentation.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Misstatements detected as a result of audit procedures were corrected by management. See attached Schedule of Audit Adjustments.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated _____.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to CTAC’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as CTAC’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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The following accounting pronouncements will be applicable in subsequent fiscal years:

- **GASB Statement No. 100, *Accounting Changes and Error Corrections*** – The GASB has issued GASB Statement No. 100, *Accounting Changes and Error Corrections*, which will be effective for the year ending September 30, 2024. The statement enhances accounting and financial reporting requirements for accounting changes and error corrections. The statement defines accounting changes as: (a) changes in accounting principles, (b) changes in accounting estimates, or (c) changes to or within the financial reporting entity, each with its own financial reporting requirements. New principles or methodologies should be preferable to the prior principle or methodology with respect to qualitative characteristics of financial reporting - understandability, reliability, relevance, timeliness, consistency, and comparability. Disclosure requirements include descriptions of accounting changes and error corrections and their quantitative effects on account balances.
- **GASB Statement No. 101, *Compensated Absences*** – GASB Statement No. 101, effective for the fiscal year ending September 30, 2025, prescribes the accounting and financial reporting for estimation and recognition of liabilities associated with compensated absences, enhances and clarifies current definitions of leave for financial reporting purposes, and amends disclosure requirements in notes to financial statements to provide better consistency in financial reporting across entities.

Other Matters

We applied certain limited procedures to management’s discussion and analysis and the budgetary comparison information, and the required pension schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

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Children's Trust of Alachua County

Year End: September 30, 2023

Audit Adjustments

Number	Date	Name	Account No.	Debit	Credit
PGC-1	9/30/2023	Fund Balance Unassigned Fund Balance	001.271.9900		\$ 4,045.60
PGC-1	9/30/2023	Fund Balance Unassigned Fund Balance	001.271.9900	\$ 14,492.00	
PGC-1	9/30/2023	Fund Balance Unassigned Fund Balance	101.271.9900	1,514.00	
PGC-1	9/30/2023	Executive Salaries Executive Salaries and Wages	001.15.1500.512.11.00		1,202.00
PGC-1	9/30/2023	FICA FICA Taxes	001.15.1500.512.21.00		92.00
PGC-1	9/30/2023	Workers Compensation Workers Comp	001.15.1500.512.24.00		2.00
PGC-1	9/30/2023	Regular Salaries Regular Salaries & Wages	001.15.1500.513.12.00		2,135.00
PGC-1	9/30/2023	Overtime Overtime	001.15.1500.513.14.00		154.00
PGC-1	9/30/2023	FICA FICA Taxes	001.15.1500.513.21.00		164.00
PGC-1	9/30/2023	Workers Compensation Workers Comp	001.15.1500.513.24.00		4.00
PGC-1	9/30/2023	Professional Services Professional Services	001.15.1500.513.31.00		161.00
PGC-1	9/30/2023	Professional Services Property Appr / Tax Collecto	001.15.1500.513.31.80	4,045.60	
PGC-1	9/30/2023	Regular Salaries Regular Salaries & Wages	001.15.1500.569.12.00		9,725.00
PGC-1	9/30/2023	Overtime Overtime	001.15.1500.569.14.00		127.00
PGC-1	9/30/2023	FICA FICA Taxes	001.15.1500.569.21.00		708.00
PGC-1	9/30/2023	Workers Compensation Workers Comp	001.15.1500.569.24.00		18.00
PGC-1	9/30/2023	Regular Salaries Regular Salaries & Wages	101.15.1500.569.12.00		1,403.00
PGC-1	9/30/2023	Overtime Overtime	101.15.1500.569.14.00		6.00
PGC-1	9/30/2023	FICA FICA Taxes	101.15.1500.569.21.00		102.00
PGC-1	9/30/2023	Workers Compensation Workers Comp	101.15.1500.569.24.00		3.00

(PGC AUDIT) To adjust fund equity for prior year AJEs not recorded properly in G/L in prior year

PGC-2	9/30/2023	COMPENSATED ABSENCES COMP ABSENCES SHORT TERM	795.210.1000		10,132.00
PGC-2	9/30/2023	COMPENSATED ABSENCES COMP ABSENCES LONG TERM	795.210.1005		3,376.00
PGC-2	9/30/2023	PERSONAL SERVICES COMPENSATED ABSENCES-ADMIN	795.90.9000.571.10.16	7,879.00	
PGC-2	9/30/2023	PERSONAL SERVICES COMPENSATED ABSENCES-PROGRAM SERV	795.90.9000.571.10.16	5,629.00	

(PGC AUDIT) To record current year compensated absences activity

PGC-3	9/30/2023	Due from Constitutional Officer Due from Tax Coll	001.116.4000	5,742.23	
PGC-3	9/30/2023	Ad Valorem Taxes Current Real & Personal Property	001.15.1500.311.1000		5,574.41
PGC-3	9/30/2023	Ad Valorem Taxes Delinquent Taxes	001.15.1500.311.2000		120.64
PGC-3	9/30/2023	Interest And Other Earnings Int Earn - Tax Collect	001.15.1500.361.1320		47.18

(PGC AUDIT) To record DFOG for taxes and interest collected in September 2023 and paid by Tax Collector in October 2023

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PGC-4	9/30/2023	Due to Other Governments Due to Other Govts - Loca	001.208.3000	\$	11,366.99
PGC-4	9/30/2023	Professional Services Property Appr / Tax Collecto	001.15.1500.513.31.80	\$	11,366.99

(PGC AUDIT) To record Excess Fees Due Property Appraiser

PGC-5	9/30/2023	Operating Transfer In Operating Transfer In	101.15.1500.381.0000		5,237.00
PGC-5	9/30/2023	Regular Salaries Regular Salaries & Wages	101.15.1500.569.12.00	5,237.00	

(PGC AUDIT) To correct JE 2023-626 transfer in for SRF

PGC-6	9/30/2023	Equity in Pooled Cash Equity in Pooled Cash	001.104.805	5,200.07	
PGC-6	9/30/2023	Equity in Pooled Cash Equity in Pooled Cash	801.104.805		5,200.07
PGC-6	9/30/2023	Equity in Pooled Cash General Fund	805.291.001		5,200.07
PGC-6	9/30/2023	Equity in Pooled Cash Payroll Account	805.291.801	5,200.07	
PGC-6	9/30/2023	Accounts Payable Accounts Payable	001.201.0000		14,173.42
PGC-6	9/30/2023	Payroll Deduction-Benefit Accounts Payable-Expense	001.202.0100	8,973.35	
PGC-6	9/30/2023	Accounts Payable Accounts Payable	801.201.0000	14,173.42	
PGC-6	9/30/2023	Payroll Deduction-Benefit Deductions Payable	801.202.0500	11.91	
PGC-6	9/30/2023	Payroll Deduction-Benefit Health Insurance	801.202.0510	815.52	
PGC-6	9/30/2023	Payroll Deduction-Benefit Dental Insurance	801.202.0520	258.86	
PGC-6	9/30/2023	Payroll Deduction-Benefit Life Insurance	801.202.0530	147.96	
PGC-6	9/30/2023	Payroll Deduction-Benefit 457 Deduction	801.202.0540	85.23	
PGC-6	9/30/2023	Payroll Deduction-Benefit FSA Deduction	801.202.0550	199.31	
PGC-6	9/30/2023	Payroll Deduction Vision Deduction	801.202.0560		2.88
PGC-6	9/30/2023	Payroll Deduction AFLAC	801.202.0570	409.98	
PGC-6	9/30/2023	Payroll Deduction-Benefit FRS Retirement	801.202.0600		10,899.24

(PGC AUDIT) To clear out Fund 801 (Payroll Clearing Fund) at year-end and add to General Fund for FS presentation purposes

PGC-7	9/30/2023	Accrued Wages Payable	001.216.0000		18,881.39
PGC-7	9/30/2023	Accrued Wages Payable	101.216.0000		792.81
PGC-7	9/30/2023	Executive Salaries Executive Salaries and Wages	001.15.1500.512.11.00	2,475.96	
PGC-7	9/30/2023	FICA FICA Taxes	001.15.1500.512.21.00	198.85	
PGC-7	9/30/2023	Workers Compensation Workers Comp	001.15.1500.512.24.00	4.54	
PGC-7	9/30/2023	Travel and Per Diem Local Mileage	001.15.1500.512.40.10	150.00	
PGC-7	9/30/2023	Regular Salaries Regular Salaries & Wages	001.15.1500.513.12.00	5,067.26	
PGC-7	9/30/2023	Overtime Overtime	001.15.1500.513.14.00	95.09	
PGC-7	9/30/2023	FICA FICA Taxes	001.15.1500.513.21.00	378.48	
PGC-7	9/30/2023	Workers Compensation Workers Comp	001.15.1500.513.24.00	8.87	
PGC-7	9/30/2023	Professional Services Professional Services	001.15.1500.513.31.00	166.50	
PGC-7	9/30/2023	Regular Salaries Regular Salaries & Wages	001.15.1500.569.12.00	9,425.97	
PGC-7	9/30/2023	Overtime Overtime	001.15.1500.569.14.00	153.60	
PGC-7	9/30/2023	FICA FICA Taxes	001.15.1500.569.21.00	738.50	

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PGC-7	9/30/2023	Workers Compensation Workers Comp	001.15.1500.569.24.00	\$	17.77
PGC-7	9/30/2023	Regular Salaries Regular Salaries & Wages	101.15.1500.569.12.00		691.20
PGC-7	9/30/2023	Overtime Overtime	101.15.1500.569.14.00		101.61

(PGC AUDIT) To record accrued wages at 9/30/23

PGC-8	9/30/2023	Accounts Payable Accounts Payable	001.201.0000		1,012,946.72
PGC-8	9/30/2023	Contracts Payable Grants Payable	001.205.1000	\$	977,253.75
PGC-8	9/30/2023	Due to Other Governments Due to Other Govts - Loca	001.208.3000		35,692.97

(PGC AUDIT) To reclassify accounts payable at year-end

PGC-9	9/30/2023	DEFERRED OUTFLOW OF RESOURCES-PENSION	795.190.3060		667,390.00
PGC-9	9/30/2023	DEFERRED OUTFLOW OF RESOURCES-OPEB	795.190.3075		14,575.00
PGC-9	9/30/2023	COMPENSATED ABSENCES COMP ABSENCES SHORT TERM	795.210.1000		19,960.00
PGC-9	9/30/2023	COMPENSATED ABSENCES COMP ABSENCES LONG TERM	795.210.1005		6,654.00
PGC-9	9/30/2023	NET PENSION LIABILITY NET PENSION LIAB-FRS LGTM	795.237.1010		772,695.00
PGC-9	9/30/2023	NET OPEB LIAB LONG TERM	795.237.1510		31,844.00
PGC-9	9/30/2023	Fund Balance	795.271.0000		136,311.00
PGC-9	9/30/2023	Fund Balance-OPEB	795.271.9000		19,976.00
PGC-9	9/30/2023	Fund Balance-Compensated Absences	795.271.9900		26,614.00
PGC-9	9/30/2023	DEFERRED INFLOW RESOURCES-PENSION	795.290.3060		31,006.00
PGC-9	9/30/2023	DEFERRED INFLOW RESOURCES-OPEB	795.290.3075		2,707.00

(PGC AUDIT) To record prior year ending balances related to Pension, OPEB, and Compensated Absences

PGC-10	9/30/2023	DEFERRED OUTFLOW OF RESOURCES-OPEB	795.190.3075		20,032.00
PGC-10	9/30/2023	NET OPEB LIAB LONG TERM	795.237.1510		69,152.00
PGC-10	9/30/2023	DEFERRED INFLOW RESOURCES-OPEB	795.290.3075		1,896.00
PGC-10	9/30/2023	OPEB EXPENSE-ADMIN	795.00.0000.571.26.10		21,257.00
PGC-10	9/30/2023	OPEB EXPENSE-PROGRAM SERVICES	795.00.0000.571.26.15		29,759.00

(PGC AUDIT) To record current year activity related to OPEB

PGC-11	9/30/2023	DEFERRED OUTFLOW OF RESOURCES-PENSION	795.190.3060		22,033.00
PGC-11	9/30/2023	DEFERRED OUTFLOW OF RESOURCES-PENSION	795.190.3060		972.00
PGC-11	9/30/2023	NET PENSION LIABILITY NET PENSION LIAB-FRS LGTM	795.237.1010		317,968.00
PGC-11	9/30/2023	DEFERRED INFLOW RESOURCES-PENSION	795.290.3060		67.00
PGC-11	9/30/2023	PENSION EXPENSE-ADMIN	795.00.0000.571.26.05		161,861.00
PGC-11	9/30/2023	PENSION EXPENSE-PROGRAM SERVICES	795.00.0000.571.26.06		177,101.00

(PGC-AUDIT) To record change (current year activity) in Pension NPL, DOR, DIR, and Pension Expense

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PGC-12	9/30/2023	DEFERRED OUTFLOW OF RESOURCES-PENSION	795.190.3060	\$	34,544.00	
PGC-12	9/30/2023	PENSION EXPENSE-ADMIN	795.00.0000.571.26.05			\$ 16,495.00
PGC-12	9/30/2023	PENSION EXPENSE-PROGRAM SERVICES	795.00.0000.571.26.06			18,049.00

(PGC-AUDIT) To record DOR for pension contributions subsequent to the measurement date

PGC-13	9/30/2023	Deposits Held w/ Others	301.156.000		50,000.00	
PGC-13	9/30/2023	Building Buildings	301.162.9000			50,000.00
PGC-13	9/30/2023	Capital Buildings Capital Outlay - Buildings	301.15.1500.569.62.00		50,000.00	
PGC-13	9/30/2023	Capital Buildings Capital Outlay - Buildings	301.15.1500.569.62.00			50,000.00

(PGC AUDIT) To reverse JE 2023-662 and record earnest money for building purchase as deposit held with others

PGC-14	9/30/2023	Equity in Pooled Cash Equity in Pooled Cash	001.104.805		2,146.77	
PGC-14	9/30/2023	Equity in Pooled Cash Equity in Pooled Cash	001.104.805			2,146.77
PGC-14	9/30/2023	Property Under Capital Leases	795.168.9000		7,958.06	
PGC-14	9/30/2023	Amortization/Accumulated Depreciation - Leases	795.168.9500			1,989.51
PGC-14	9/30/2023	Lease Liability	795.225.9000			7,958.06
PGC-14	9/30/2023	Lease Liability	795.225.9000		1,899.52	
PGC-14	9/30/2023	Capital Lease Proceeds	001.15.1500.383.2000			7,958.06
PGC-14	9/30/2023	Operating Supplies Operating Supplies	001.15.1500.569.52.00			2,146.77
PGC-14	9/30/2023	Capital Outlay Equipment	001.15.1500.569.64.00		7,958.06	
PGC-14	9/30/2023	Principal Expense - Leases	001.15.1500.584.71.00		1,899.52	
PGC-14	9/30/2023	Interest Expense - Leases	001.15.1500.584.72.00		247.25	
PGC-14	9/30/2023	Amortization/Depreciation Expense - Leases/SBITAs	795.15.1500.584.59.00		1,989.51	
PGC-14	9/30/2023	Principal Expense - Leases/SBITAs	795.15.1500.584.71.00			1,899.52

(PGC-AUDIT) To record leasing activity related to GASB 87

PGC-15	9/30/2023	Equity in Pooled Cash Equity in Pooled Cash	001.104.805		16,000.00	
PGC-15	9/30/2023	Equity in Pooled Cash Equity in Pooled Cash	001.104.805			16,000.00
PGC-15	9/30/2023	Property Under SBITAs	795.159.0000		75,249.16	
PGC-15	9/30/2023	Amortization/Accumulated Depreciation - Leases	795.168.9500			18,812.29
PGC-15	9/30/2023	Amortization/Depreciation of SBITAs	795.240.0000			75,249.16
PGC-15	9/30/2023	Amortization/Depreciation of SBITAs	795.240.0000		16,000.00	
PGC-15	9/30/2023	Capital Lease Proceeds	001.15.1500.383.2000			75,249.16
PGC-15	9/30/2023	Operating Supplies Operating Supplies	001.15.1500.569.52.00			16,000.00
PGC-15	9/30/2023	Capital Outlay Equipment	001.15.1500.569.64.00		75,249.16	
PGC-15	9/30/2023	Principal Expense - Leases	001.15.1500.584.71.00		16,000.00	
PGC-15	9/30/2023	Amortization/Depreciation Expense - Leases/SBITAs	795.15.1500.584.59.00		18,812.29	
PGC-15	9/30/2023	Principal Expense - Leases/SBITAs	795.15.1500.584.71.00			16,000.00

(PGC-AUDIT) To record SBITA activity related to GASB 96

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PGC-16	9/30/2023	Grants From Local Govt Units City of Archer	102.15.1520.337.205	\$	10,000	
PGC-16	9/30/2023	Due to Other Governments Due To Other Govts - Loca	102.208.3000		\$	10,000

(PGC-AUDIT) To reclassify Opioid Awareness Campaign funds received