

Citrus Information Cooperative

Audit Report

September 30, 2020



CRI CARR
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INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Directors
Citrus Information Cooperative

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Citrus Information Cooperative (the "CIC"), an independent special district and a component unit of the Citrus County, Florida Property Appraiser, as of and for the year ended September 30, 2020, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CIC as of September 30, 2020, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2021 on our consideration of the CIC'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 the CIC'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 the CIC's internal control over financial reporting and compliance.

Caru, Riggs & Ingram, L.L.C.

Gainesville, Florida
March 10, 2021

Citrus Information Cooperative

Management's Discussion and Analysis

This discussion and analysis of the Citrus Information Cooperative's (the "CIC") financial performance provides an overview of the CIC's financial activities for the fiscal year ended September 30, 2020. Please read it in conjunction with the CIC's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2020:

- The CIC's overall net position decreased by \$18,068, which is approximately 2 percent.
- Total ending unrestricted net position was approximately \$648,877.
- The CIC had total expenses for the year of \$1,156,717, compared to revenues of approximately \$1,138,649.
- Revenues increased 20 percent from the prior year.
- Operating expenses decreased approximately \$37,989 over the prior year.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The first financial statement is the Statement of Net Position. This statement includes all of the CIC's assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are recorded, regardless of when cash is received or paid. Net Position – the difference between assets and liabilities – can be used to measure the CIC's financial position.

The second financial statement is the Statement of Revenues, Expenses and Changes in Net Position. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net position during the fiscal year. Over time, the increases or decreases in net position are useful indicators of whether the CIC's financial health is improving or deteriorating. However, other non-financial factors must also be considered when assessing the overall health of the CIC.

The Statement of Cash Flows reports cash receipts and cash payments, and classifies CIC's cash transactions in four categories: operating, noncapital financing, capital and related financing, or investing activities.

In these statements, all of the CIC's activities are considered to be business-type activities, which are generally financed in whole or in part by fees charged to external parties for goods or services. The CIC has no governmental activities.

Citrus Information Cooperative

Management's Discussion and Analysis

CONDENSED FINANCIAL INFORMATION

The following table presents summarized comparative data about net position and changes in net position

	2020	2019
Assets		
Non-capital assets	\$ 717,260	\$ 890,470
Capital assets, net	48,911	36,768
Total assets	766,171	927,238
Liabilities		
Payables	23,863	14,003
Unearned revenue	44,520	197,379
Total liabilities	68,383	211,382
Net position		
Investment in capital assets	48,911	36,768
Unrestricted	648,877	679,088
Total net position	\$ 697,788	\$ 715,856
Revenues		
Charges for services	\$ 1,138,211	945,646
Interest	438	850
Total revenues	1,138,649	946,496
Expenses		
General	1,137,584	1,122,551
Paid on behalf of Property Appraiser	6,426	60,019
Depreciation	12,707	12,136
Total expenses	1,156,717	1,194,706
Operating income (Loss)	(18,068)	(248,210)
Net position, beginning of year	715,856	964,066
Net position, end of year	\$ 697,788	\$ 715,856

Citrus Information Cooperative

Management's Discussion and Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital asset activity during 2020 included the disposal of fully depreciated equipment. Please refer to a note to the accompanying financial statements entitled *Capital Assets and Depreciation* for more detailed information about the CIC's capital asset activity.

Debt Administration

The CIC has no long-term debt.

ECONOMIC FACTORS

We are not currently aware of any conditions that are expected to have a significant effect on the CIC's financial position or results of operations.

Contacting the CIC's Financial Management

This financial report is designed to provide a general overview of the CIC's finances and to show the CIC's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Tonya Caldwell, CIC's Chief Financial Officer, 210 North Apopka Avenue, Suite 200, Inverness, Florida 34450.

Citrus Information Cooperative

Statement of Net Position As of September 30, 2020

Current assets		
Cash	\$	717,160
Prepaid expense		100
<hr/>		
Total current assets		717,260
<hr/>		
Noncurrent assets		
Equipment		248,572
Accumulated depreciation		(199,661)
<hr/>		
Total noncurrent assets		48,911
<hr/>		
Total assets		766,171
<hr/>		
Current liabilities		
Accounts payable		5,608
Due to other governments		18,255
Unearned revenue		44,520
<hr/>		
Total current liabilities		68,383
<hr/>		
Net position		
Investment in capital assets		48,911
Unrestricted		648,877
<hr/>		
Total net position	\$	697,788
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*The accompanying "Notes to Financial Statements"
form an integral part of this statement.*

Citrus Information Cooperative

Statement of Revenues, Expenses and Changes in Net Position Year ended September 30, 2020

Operating revenues

User fees:

Citrus County Property Appraiser \$ 872,303

Other governments 18,219

Commissions - Citrus County Board of County Commissioners 247,258

Other charges for services 431

Interest 438

Total operating revenues 1,138,649

Operating expenses

Contracted services – labor 649,720

General and administrative 487,864

Depreciation 12,707

Paid on behalf of Property Appraiser 6,426

Total operating expenses 1,156,717

Operating loss (18,068)

Net position, beginning of year 715,856

Net position, end of year \$ 697,788

*The accompanying "Notes to Financial Statements"
form an integral part of this statement.*

Citrus Information Cooperative

Statement of Cash Flows Year ended September 30, 2020

Cash flows from operating activities	
Receipts from members	\$ 737,663
Payments to suppliers	(1,138,702)
Other receipts	252,679
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Net cash provided (used) by operating activities	(148,360)
Cash flows from investing activities	
Capital asset acquisition	(24,850)
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Net cash flow	(173,210)
Cash, beginning of year	890,370
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Cash, end of year	\$ 717,160
<hr/>	
Reconciliation of operating loss to net cash provided (used) by operating activities:	
Operating loss	\$ (18,068)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	12,707
Changes in assets and liabilities:	
Accounts payable	5,308
Due to other governments	4,552
Unearned revenue	(152,859)
<hr/>	
Net cash provided (used) by operating activities	\$ (148,360)
<hr/>	

*The accompanying "Notes to Financial Statements"
form an integral part of this statement.*

Citrus Information Cooperative

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Citrus Information Cooperative (the “CIC”) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The CIC is an independent special district created by an interlocal agreement executed on September 28, 2001, pursuant to Section 163.01, Florida Statutes. The CIC was formed to provide services that may include imaging, record retention, purchasing, equipment maintenance, data processing, preparation of the tax rolls, and creation of a multi-agency geographical collaborative information system as defined in Section 163.62, Florida Statutes. A governing council made up of one member from each participant governs the activities and administration of the CIC. During the year ended September 30, 2020, participants consisted of the Citrus County Property Appraiser and the cities of Inverness and Crystal River. During the year ended September 30, 2020, the city of Inverness elected to withdraw from participation in CIC at which time approximately \$139,640 was refunded to Inverness. The CIC is considered a component unit of the Citrus County Property Appraiser.

Criteria for determining if other entities are potential component units of the CIC that should be reported with the CIC’s basic financial statements are identified and described in the Governmental Accounting Standards Board’s (GASB) Statement No. 14, as amended. The application of these criteria provides for identification of any entities for which the CIC is financially accountable and other organizations for which the nature and significance of their relationship with the CIC are such that exclusion would cause the CIC’s basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the CIC.

Basis of Presentation, Measurement Focus and Basis of Accounting

The accounts of the CIC are organized and reported as a proprietary fund type - Enterprise Fund. Enterprise Funds are used to report an activity for which a fee is charged to external users for goods or services.

The 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 the related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues are charges to customers for sales and services and fees paid by participant government entities. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Citrus Information Cooperative

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash

The CIC's cash consists of legally authorized demand deposits. The institutions in which such deposits are kept are certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, the total bank balances on deposit at September 30, 2020 are insured or collateralized through the State Department of Insurance.

Investments

The CIC invests excess public funds pursuant to the guidelines established in Section 218.415(17), Florida Statutes. Accordingly, the CIC is authorized to invest excess public funds in the following instruments: The Local Government Surplus Funds Trust Fund; Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposit in qualified public depositories; and direct obligations of the U.S. Treasury.

At September 30, 2020 and during the year then ended, the CIC held no investments.

Capital Assets

The CIC does not own its own facilities and operates from premises occupied by the Citrus County Property Appraiser in Inverness and Crystal River.

Capital assets purchased by CIC are recorded at cost. Depreciation has been provided over estimated useful lives of 3-5 years, using the straight-line method. Capital assets are defined as assets with an initial individual cost of more than \$1,500 and an estimated useful life in excess of one year.

Restricted Net Position

In the accompanying statement of net position, restricted net position, if any, is subject to restrictions beyond the CIC's control. The restriction is either externally imposed (for instance, by creditors, grantors, contributors, or laws/regulations of other governments) or is imposed by law through constitutional provisions or enabling legislation. It is the practice of the CIC to utilize restricted assets before unrestricted assets.

Use of Estimates

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

Citrus Information Cooperative

Notes to Financial Statements

NOTE 2 – CONTRACTED SERVICES

The CIC has no employees. The CIC contracts with the Citrus County Property Appraiser’s Office to use designated employees of that office to perform the functions of the CIC. The Property Appraiser then invoices the CIC for the wages and benefits of those employees providing services to the CIC. The CIC made the following payments, included in the accompanying financial statements as Contracted Services – Labor, to reimburse such costs.

Wages	\$ 495,519
FICA, Medicare and retirement	103,323
Insurance and workers’ compensation	50,878
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Total	\$ 649,720
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NOTE 3 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Machinery and equipment	\$ 234,138	\$ 24,850	\$ 10,416	\$ 248,572
Accumulated depreciation	197,370	12,707	10,416	199,661
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Total capital assets, net	\$ 36,768	\$ 12,143	\$ -	\$ 48,911
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NOTE 4 – RISK MANAGEMENT

The CIC is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. As a component unit of Citrus County Property Appraiser, the CIC participates in the risk management program established by the Board of County Commissioners to cover claims against the Board and Constitutional Officers.

Citrus Information Cooperative

Notes to Financial Statements

NOTE 5 – COMMITMENTS

The CIC entered into a multi-year agreement for imaging services and software and data licenses. The agreement requires future payments according to the following schedule.

Year	Amount
2021	\$ 377,824
2022	53,421
	<u>\$ 431,245</u>

NOTE 6 – FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued statements that will become effective in 2021. The statements address:

- Fiduciary activities (Statement No. 84); and
- Majority equity interests (Statement No. 90).

The CIC is currently evaluating the effects that these statements will have on its 2021 financial statements.

**Additional Elements Required by the
Rules of the Auditor General and
*Government Auditing Standards***

MANAGEMENT LETTER

To the Members of the Board of Directors
Citrus Information Cooperative

Report on the Financial Statements

We have audited the financial statements of the Citrus Information Cooperative (the "CIC"), Florida, as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 10, 2021.

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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA 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 March 10, 2021, 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 financial audit report. The CIC has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

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 the CIC has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the CIC did not meet any 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 condition assessment procedures for the CIC. It is management's responsibility to monitor the CIC's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by 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.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance 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 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 the Florida House of Representatives, the Florida Auditor General, the Board of Directors and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning the letter, our accompanying reports, or other matters.

Carly Riggs & Ingram, L.L.C.

Gainesville, Florida
March 10, 2021

INDEPENDENT AUDITORS' 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 the Members of the Board of Directors
Citrus Information Cooperative

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 Citrus Information Cooperative (the "CIC"), a component unit of Citrus County Property Appraiser, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise CIC's basic financial statements, and have issued our report thereon dated March 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CIC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CIC's internal control. Accordingly, we do not express an opinion on the effectiveness of the CIC'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CIC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida

March 10, 2021



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Members of the Board of Directors
Citrus Information Cooperative

We have examined the Citrus Information Cooperative's (the "CIC") compliance with the requirements of Section 218.415, Florida Statutes. *Local Government Investment Policies*, during the year ended September 30, 2020. Management of the CIC is responsible for the CIC's compliance with the specified requirements. Our responsibility is to express an opinion on CIC's compliance with the specified requirements 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 CIC complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether CIC complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, 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.

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

In our opinion, CIC complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Board of Directors and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, LLC

Gainesville, Florida
March 10, 2021