

PASCO COUNTY, FLORIDA

Schedules of Expenditures of Federal Awards and State Financial Assistance and
Reports as Required by the Uniform Guidance and Chapter 10.550, *Rules of the
Auditor General*

September 30, 2018

(With Independent Auditors Report Thereon)



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PASCO COUNTY, FLORIDA

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**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***

Distinguished Members of the
Board of County Commissioners
Pasco County, 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pasco County, Florida (the County), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 29, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pasco County, Florida'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2018-001 that we consider to be a material weakness.

Compliance and Other Matters

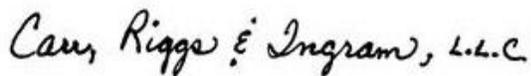
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

Pasco County, Florida's Response to Findings

Pasco County, Florida's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Pasco County, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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, LLC

Tampa, Florida

March 29, 2019, except for Finding 2018-001 for which the date is June 5, 2019.



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

Distinguished Members of the
Board of County Commissioners
Pasco County, Florida

Report on Compliance for Each Major Federal Program and Each Major State Project

We have audited Pasco County, Florida's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Florida Department of Financial Services' State Projects *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and major state projects for the year ended September 30, 2018. The County's major federal programs and major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements of Chapter 10.550, *Rules of the Auditor General* ("Chapter 10.550"). Those standards, the Uniform Guidance, and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and major state project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and Each Major State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2018.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Awards Required by the Uniform Guidance and Chapter 10.550

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pasco County, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise 's basic financial statements. We issued our report thereon dated March 29, 2019, except for the Schedule of Expenditures of State Financial Assistance and major state projects 55.008 and 55.032 dated August 30, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

CARR, RIGGS & INGRAM, LLC

Tampa, Florida

June 5, 2019, except for major state projects 55.008 and 55.032 dated August 30, 2019

Pasco County, Florida Schedule of Expenditures of Federal Awards

<i>September 30,</i>				2018
FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL CFDA NUMBER	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
U.S Department Of Agriculture				
Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers				
Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers	10.443		\$ 306,617	
			<u>306,617</u>	
Total U.S. Department of Agriculture				
U.S. Department of Housing and Urban Development				
Community Development Block Grants/ Entitlement Grants Cluster				
Community Development Block Grants/ Entitlement Grant	14.218	Program Income	518,469	
Community Development Block Grants/ Entitlement Grant	14.218	Entitlement Grant	93,837	
Community Development Block Grants/ Entitlement Grant	14.218	Officer Friendly Program	87,626	
Community Development Block Grants/ Entitlement Grant	14.218	B15-UC-12-009	509,675	
Community Development Block Grants/ Entitlement Grant	14.218	B14-UC-12-009	522,387	
Community Development Block Grants/ Entitlement Grant	14.218	B17-UC-12-009	250,824	
Community Development Block Grants/ Entitlement Grant	14.218	B16-UC-12-009	822,391	
Neighborhood Stabilization Program NSP 1	14.218	Program Income	657,063	
Neighborhood Stabilization Program NSP 3	14.218	Outstanding loans	1,388,945	
Neighborhood Stabilization Program NSP 3	14.218	Program Income	64,062	
Neighborhood Stabilization Program NSP 1	14.218	Outstanding loans	<u>5,728,432</u>	
Total Community Development Block Grant/ Entitlement Grants Cluster			<u>10,643,711</u>	<u>\$ 870,720</u>
Emergency Solutions Grant Program				
Emergency Solutions Grant Program	14.231	Emergency Solutions Grant	25,351	
Emergency Solutions Grant Program	14.231	Emergency Solutions Grant	100,000	
Emergency Solutions Grant Program	14.231	Emergency Solutions Grant	22,097	
Emergency Solutions Grant Program	14.231	Emergency Solutions Grant	<u>13,072</u>	
Total Emergency Solutions Grant Program			<u>160,520</u>	<u>160,520</u>
Home Investment Partnerships Program				
Home Investment Partnerships Program	14.239	M17-UC-12-0216	1,119,271	
Home Investment Partnerships Program	14.239	M14-UC-12-0216	110,988	
Home Investment Partnerships Program	14.239	M15-UC-12-0216	197,764	
Home Investment Partnerships Program	14.239	M16-UC-12-0216	40,000	
Home Investment Partnerships Program	14.239	Program Income	11,758	
Home Investment Partnerships Program	14.239	Outstanding Loans	<u>16,116,261</u>	
Total Home Investment Partnerships Program			<u>17,596,042</u>	
Neighborhood Stabilization Program (Recovery Act Funded) <i>Passed through Neighborhood Lending Association</i>				
Neighborhood Stabilization Program NSP 2	14.256	Program Income	83,697	
Neighborhood Stabilization Program NSP 2	14.256	Outstanding loans	<u>7,128,671</u>	
Total Neighborhood Stabilization Program NSP 2			<u>7,212,368</u>	
Total U.S. Department of Housing and Urban Development			<u>35,612,641</u>	<i>continued</i>

See accompanying notes to the schedule of federal expenditures and state financial assistance.

Pasco County, Florida Schedule of Expenditures of Federal Awards

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL CFDA NUMBER	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
U.S. Department of Justice				
Missing Alzheimer's Disease Patient Assistant Program:				
Crime Victim Assistance:				
<i>Passed through Office Of Attorney General:</i>				
Crime Victim Assistance:	16.575	VOCA-00339	107,879	
Violence Against Women Formula Grants				
Violence Against Women Formula Grant	16.558	Excellence in Sexual Assault Response 17STO68	14,340	
InVest Grant	16.558	Invest Grant 18-8009-LE-INV	80,111	
		Invest Grant 19-8009-LE-INV	19,325	
Total Violence Against Women Formula Grants			113,776	
State Criminal Alien Assitance Program				
State Criminal Alien Assitance Program	16.606		10,027	
Edward Bryce Memorial Justice Assistance Grant Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Edward Byrne Memorial Justice	72,106	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Edward Byrne Memorial Justice	16,879	
Total Edward Bryce Memorial Justice Assistance Grant Program			88,985	
DNA Backlog Reduction Program	16.741		216	
Criminal and Juvenile Justice and Mental Health Collaboration Program				
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745		31,627	
Equitable Sharing Program				
Equitable Sharing Program	16.922		402,719	
Total U.S. Department Of Justice			755,229	
U.S. Department of Transportation				
<i>Passed through Florida Department of Transportation</i>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	MPO PL FY 18-20; GOW73	17,445	
Highway Planning and Construction	20.205	MPO PL 5208 FY16-18, GOD08	714,463	
Highway Planning and Construction	20.205	ARP28	103,484	
Highway Planning and Construction	20.205	GOR20	26,782	
Total Highway Planning and Construction Cluster			862,174	
<i>Passed through Florida Department of Transportation</i>				
Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research				
Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research	20.505	5311 Bus Capital Grant	271,946	
Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research	20.505	MPO 5305 FY15-16,G0751	62,860	
Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research	20.505	MPO 5305 FY14-15,ARM21	39,377	
Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research	20.505	MPO 5305 FY16-17,'G0F52	68,057	
Total Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research			442,240	

continued

See accompanying notes to the schedule of federal expenditures and state financial assistance.

Pasco County, Florida Schedule of Expenditures of Federal Awards

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL CFDA NUMBER	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
<i>Passed through Florida Department of Transportation</i>				
Federal Transit Cluster				
4Federal Transit Formula Grants				
Federal Transit Formula Grants	20.507	FL90X-780	50,141	
Federal Transit Formula Grants	20.507	Small Urban, FL90X-871	225,000	
Federal Transit Formula Grants	20.507	Small Urban, FL90X-895	58,367	
Federal Transit Formula Grants	20.507	FL90X-847	222,750	
Federal Transit Formula Grants	20.507	FL90X-695	122,173	
Federal Transit Formula Grants	20.507	FL90X-871	1,786,096	
Federal Transit Formula Grants	20.507	FL90X-814	359,881	
Federal Transit Formula Grants	20.507	FL90X-654	124,416	
Federal Transit Formula Grants	20.507	FL90X-895	1,195,941	
Federal Transit Formula Grants	20.507	FL90X-732	31,073	
Federal Transit Formula Grants	20.507	FL90X-753	25,264	
Total Federal Transit Formula Grants			<u>4,201,102</u>	
Bus and Bus Facilities Formula Program				
Capital Bus Wash Facility	20.526	FL-34-0032	287,600	
Rural 5311	20.526	FL-34-0026	278,832	
Total Bus and Bus Facilities Formula Program			<u>566,432</u>	
Total Federal Transit Cluster			<u>4,767,534</u>	
Formula Grants for Rural Areas				
Formula Grants for Rural Areas	20.509	5311 Capital Bus Wash Facility APV21	184,319	
Formula Grants for Rural Areas	20.509	5311 Capital Bus Wash Facility GOH49	13,690	
Formula Grants for Rural Areas	20.509	5312 Capital Bus Wash Facility GOH83	108,718	
			<u>306,727</u>	
Total U. S. Department of Transportation			<u>6,378,675</u>	
Department of the Treasury				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015		111,400	
Total Department of the Treasury			<u>111,400</u>	
National Endowment for the Humanities				
Grants of States				
Library Services and Technology Act Grant	45.310	16-LSTA-A-04-B	10,000	
Total National Endowment for the Humanities			<u>10,000</u>	
U.S. Election Assistance Commission				
Help America Vote Act Requirements Payments				
Grant Elections Activities	90.401	Pollworker Recruitment & Training Fund	3,087	
Grant Elections Activities	90.401	Albert Network Monitoring Grant	17,182	
Federal Election Activities	90.401	E2316	81,635	
Federal Election Activities	90.401	Federal Election Security Grant	190,166	
Total Help America Vote Act Requirements Payments			<u>292,070</u>	
Total U.S. Election Assistance Commission			<u>292,070</u>	

continued

See accompanying notes to the schedule of federal expenditures and state financial assistance.

Pasco County, Florida Schedule of Expenditures of Federal Awards

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL CFDA NUMBER	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
U.S Department of Health and Human Services				
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services				
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	'OAA IIIB FY17,320AIIIB17	80,867	
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	'OAA IIIB FY18,D320A18S09	135,183	
Total Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services			216,050	
Aging Cluster				
<i>Passed Through Florida Department of Elder Affairs</i>				
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	Title IIIB Project Income 320AIIIB17	3,000	
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	IIIB Project Income D320A18509	9,000	
Total Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers			12,000	
<i>Passed through Florida Department of Elder Affairs, then through West Central Florida Agency on Aging</i>				
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	NSIP EA018 Nutrition FY18	479,350	
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Project Income EA017 Nutrition FY17	1,704	
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Project Income EA018 Nutrition FY18	5,265	
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	NSIP C1-EU018 C2 CU016	47,573	
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	OAA IIIC FY17 C1 EA017 C2 EA017	334,704	
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	NSIP C2 EU018 Nutrition C1 EU018 Nutrition	76,176	
Total Special Programs for the Aging Title III, Part C Nutrition Services			944,772	
Total Aging Cluster			956,772	
Substance Abuse and Mental Health Services Projects of Regional and National Significance				
<i>Passed through Florida Department of Health</i>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		384,655	
Temporary Assistance for Needy Families (TANF) Cluster:				
<i>Passed through Florida Department of Children and Families</i>				
Child Protection Investigation	93.558	QJZ73	7,071,626	
Total TANF Cluster			7,071,626	
Child Support Enforcement				
<i>Passed through Florida Department of Revenue</i>				
Child Support Enforcement	93.563	Cooperative Agreement--COC51	294,948	
Low Income Home Energy Assistance				
<i>Passed through Florida Department of Elder Affairs</i>				
Low-Income Home Energy Assistance	93.568	EHEAP16--EP016	105,020	
Total U.S. Department of Health and Human Services			9,029,071	

continued

See accompanying notes to the schedule of federal expenditures and state financial assistance.

Pasco County, Florida Schedule of Expenditures of Federal Awards

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL CFDA NUMBER	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
Executive Office of the President				
High Intensity Drug Trafficking Areas Program				
Pasco HIDTA	95.001	G18CF0014A	142,898	
Pasco HIDTA	95.001	G17CF0014A	103,524	
Total High Intensity Drug Trafficking Areas Program			<u>246,422</u>	
Total Executive Office of the President			<u>246,422</u>	
U.S. Department of Homeland Security				
Emergency Food and Shelter National Board Program				
Emergency Food and Shelter National Board Program	97.024	FEMA Phase XXXIII	15,000	
Hazard Mitigation Grant				
Hazard Mitigation Grant	97.039	H0040	34,401	
Hazard Mitigation Grant	97.039	15-HM-6B-08-61-01-172	188,954	
Hazard Mitigation Grant	97.039	H0042	48,067	
Total Hazard Mitigation Grant			<u>271,422</u>	
Emergency Management Performance Grants <i>Passed through Florida Division of Emergency Management</i>				
Emergency Management Performance Grant	97.042	EMPG EMW 2017 UA 00017	162,171	
Emergency Management Performance Grant	97.042	CERT FY18 D3701A18F09	1,765	
Emergency Management Performance Grant	97.042	D370A18F10	2,205	
Total Emergency Management Performance Grant			<u>166,141</u>	
Homeland Security Grant Program <i>Passed through Florida Department of Community Affairs</i>				
Homeland Security Grant Program	97.067	Hurricane Irma FEMA DR 4337 Operation	1,004,542	
	97.067	Operation Stonegarden--17-DS- W1-08-61-01	51,762	
Homeland Security Grant Program	97.067	OPSG FY17 Florida Pasco 18-DS- X5-08-61-01-309	17,697	
Total Homeland Security Grant Program			<u>1,074,001</u>	
Staffing for Adequate Fire and Emergency Response SAFER Grant	97.083	SAFER-EMW-2014-FF-00387	111,143	
Total U.S. Department of Homeland Security			<u>1,637,707</u>	
Total Expenditures of Federal Awards			<u>\$ 54,379,832</u>	<u>\$ 1,031,240</u>

See accompanying notes to the schedule of federal expenditures and state financial assistance.

Pasco County, Florida

Schedule of Expenditures of State Financial Assistance

STATE AGENCY, STATE PROGRAM	CSFA NUMBER	CONTRACT NUMBER	EXPENDITURES
Executive Office of the Governor			
Emergency Management Programs			
Emergency Management Preparation and Assistance	31.063	222	\$ 105,806
Hurricane Loss Mitigation Program			
Hurricane Loss Mitigation Program	31.066	HLMP2018-022	13,672
Emergency Mangement Projects			
Hazardous Materials Plan Agreement Planning	31.067	198	2,713
Total Executive Office of the Governor			122,191
Florida Department of Economic Opportunity			
Local Economic Development Initiatives			
Growth Management Implementation	40.024	P0268	50,000
Economic Development Partnerships			
Economic Development Partnerships	40.040	TD17-055	1,500
Economic Development Partnerships	40.040	TD17-056	10,000
Economic Development Partnerships	40.040	TD18-0031	15,000
			26,500
State Housing Initiative Partnership			
State Housing Initiative Partnership	40.901	Program Income	1,945,628
State Housing Initiative Partnership	40.901	M01-UC-18-0216	2,555,970
State Housing Initiative Partnership	40.901	Outstanding Loans	2,572,917
			7,074,515
Total Florida Department of Economic Opportunity			7,151,015
Florida Department of State and Secretary of State			
State Aid to Libraries			
State Aid to Libraries Grant	45.030	18-ST-68	170,084
Total Florida Department of State and Secretary of State			170,084
Florida Department of Transportation			
Florida Commission for the Transportation Disadvantaged Trip and Equipment Grant Program			
Disadvantaged	55.001	G0X54	176,686
Transportation Disadvantaged Trip and Capital TD Operating	55.001	G0M72	620,210
Transportation Disadvantaged Trip and Capital TD Operating	55.001	G0Y35	5,476
			802,372
Florida Commission for the Transportation Disadvantaged Trip and Equipment Grant Program			
Florida Commission for the Transportation Disadvantaged Planning Grant Program			
Transportation Disadvantaged Planning Grant	55.002	G0N80	24,868
County Incentive Grant Program			
Incentive Grant Program	55.008	ARE33	6,508
Incentive Grant Program	55.008	G0051	368,442
Incentive Grant Program	55.008	G0144	199,945
			574,895
Public Transit Block Grant Program			
Mass Transit Block Grant	55.010	G0V47	748,876
Mass Transit Block Grant	55.010	G0H82	229,468
			978,344
Total Public Transit Block Grant Program			978,344
Public Transit Service Development Program	55.012	G0H94	333,032
Transit Corridor Program			
Transfer Corridor Development Program	55.013	ARM21	4,922
Transfer Corridor Development Program	55.013	G0751	7,857
Transfer Corridor Development Program	55.013	G0F52	8,507
Transfer Corridor Development Program	55.013	G0V51	80,000
Transfer Corridor Development Program	55.013	G0H85	225,000
Transfer Corridor Development Program	55.013	G0922	180,000
Transfer Corridor Development Program	55.013	G0921	34,831
			541,117
Total Transit Corridor Program			541,117
Economic Development Transportation Fund	55.032	G0L65	679,117
Total Florida Department of Transportation			3,933,745

continued

See accompanying notes to the schedule of federal expenditures and state financial assistance.

Pasco County, Florida

Schedule of Expenditures of State Financial Assistance

STATE AGENCY, STATE PROGRAM	CSFA NUMBER	CONTRACT NUMBER	EXPENDITURES
Florida Department of Health			
County Grant Awards			
County Grant Awards	64.005	C6051	30,409
Total Florida Department of Health			30,409
Florida Department of Elder Affairs			
Local Services Programs			
Passed through Area Agency on Aging of Pasco-Pinellas Inc.			
Elderly Nutrition Title IIIC	65.009	OAA-EL016	2,500
Elderly Nutrition Title IIIC	65.009	IIIB	48,406
Elderly Nutrition Title IIIC	65.009	EL017	121,238
Total Florida Department of Elder Affairs			172,144
Florida Department of Law Enforcement			
Post-Traumatic Stress Disorder Pilot Program-Pasco County Sheriff's Office			
Post-Traumatic Stress Disorder Pilot Program-Pasco County Sheriff's Office	71.028	G1614	146,817
Thomas Varnadoe Forensics Center for Education and Research, Pasco County Sheriff's Office			
Thomas Varnadoe Forensics Center for Education and Research, Pasco County Sheriff's Office	71.035	2019-SFA-FCO-51-3K-003	47,832
Total Florida Department of Law Enforcement			194,649
Florida Department of Juvenile Justice			
Juvenile Assessment Centers			
Juvenile Assessment	80.020	10368	288,156
Diversion Services			
At Risk Youth Diversion	80.022	10350	298,708
Total Florida Department of Juvenile Justice			586,864
Total Expenditures of State Financial Assistance			\$ 12,361,101

See accompanying notes to the schedule of federal expenditures and state financial assistance.

Pasco County, Florida
Notes to Schedule of Federal Awards and
State Financial Assistance

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the County, and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) and Chapter 215.97, *Florida Statutes*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The County has elected not to use the 10% de Minimis Indirect Cost Rate as outlined in the Uniform Guidance.

The County’s federal and state awards include loans or loan guarantees.

The County did not receive any federal or state non-cash assistance for the fiscal year ended September 30, 2018.

NOTE 3: LOANS OUTSTANDING

The County had the following loan balances outstanding at September 30, 2018. For federal programs, the outstanding loan balance at the beginning of the year and the current year additions related to the loans are included in the Schedule as expenditures. For state programs, only the current year additions related to the loans are included in the Schedule.

CFDA/CSFA#	Program	Amount
14.218	Community Development Block Grant	\$ 5,822,269
14.239	Home Investment Partnerships Program	\$ 16,116,261
14.256	Neighborhood Stabilization Program NSP 2	\$ 7,128,671
40.901	State Housing Initiative Partnership (SHIP) Program	\$ 22,728,328

NOTE 4: CONTINGENCIES

Expenditures incurred by the County are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Management believes that if audited, any adjustment for disallowed expenditures would be immaterial in amount. As of September 30, 2018, management is not aware of any material questioned or disallowed expenditures as a result of grant audits in process or completed.

Pasco County, Florida
Schedule of Findings and Questioned Costs

Part I – Summary of Auditor’s Results

1. The auditor’s report on the basic financial statements was unmodified.
2. The audit did not identify significant deficiencies but did disclose a material weakness in internal control over financial reporting.
3. No instances of noncompliance considered material to the financial statements were disclosed by the audit.
4. The audit did not report significant deficiencies or material weaknesses in internal control over the major federal programs and major state projects.
5. The auditors’ report on compliance for the major federal programs and major state projects was unmodified.
6. The audit did not disclose findings relative to the major federal programs and major state projects.
7. The County’s major programs/projects were:

Federal Awards	CFDA
Home Investment Partnership Program	14.239
Neighborhood Stabilization Program	14.256
State Projects	CSFA
State Housing Initiative Partnership	40.901
Incentive Grant Program	55.008
Transit Corridor Development Program	55.013
Economic Development Transportation Fund	55.032

8. A threshold of \$1,627,487 was used to distinguish between Type A and Type B programs for federal programs and \$370,833 was used for state projects.
9. The County does not qualify as a low-risk auditee as that term is defined in the Uniform Guidance.

Pasco County, Florida Schedule of Findings and Questioned Costs

Part II – Financial Statement Findings

2018-001 – Preparation of the Schedule of Federal Awards and State Financial Assistance

US Department of Homeland Security’s Federal Emergency Management Agency (FEMA) – CFDA 97.067, Contract FEMA-DR-4337

US Department of Housing and Urban Development Community Development Block Grant (CDBG) – CFDA 14.218, Loans

US Department of Housing and Urban Development Home Investment Partnership Program (HOME) – CFDA 14.239, Loans

US Department of Housing and Urban Development Neighborhood Stabilization Program (NSP) – CFDA 14.256, Loans

US Department of Housing and Urban Development State Housing Initiative Partnership (SHIP) – CSFA 40.901, Loans

Criteria – Management is responsible for establishing controls over the preparation of an accurate and complete schedule of expenditures of federal awards and state financial assistance (2 CFR 200.303).

Condition – The County had a control weakness that resulted in management failing to comply with the requirement to prepare an accurate schedule of expenditures of federal awards and state assistance (2 CFR 200.508(b)). Federal expenditures were understated on the schedule of expenditures of federal awards by \$1,004,542 for the FEMA grant and \$665,305 for the HOME grant. Federal expenditures were overstated on the schedule of expenditures of federal awards by \$29,371 for the CDBG grant and \$1,288,142 for the NSP grant. State expenditures were overstated on the schedule of expenditures of state assistance by \$1,942,985 for the SHIP grant.

Cause – Certain grants were not recognized accurately in the client prepared schedule of expenditures of federal awards and state financial assistance.

Effect – Failure to properly prepare the schedule affected the reconciliation of the underlying accounting records and financial statements to the schedule.

Recommendation – We recommend the County improve its financial reporting close process to more accurately complete and review the schedule of expenditures of federal awards and state financial assistance. This process should also include a procedure to have someone in each department perform an independent review of their portion of the schedule.

Views of responsible officials – Management concurs with the recommendation. An independent departmental review has been implemented. Corrective action is in the planning phase, where Financial Services have created a project for applying new procedures to monitor and manage the grants. This project includes training that will allow County Fiscal to efficiently reconcile grants on a periodic basis. County Fiscal and Financial Reporting staff will work together to develop a review process for the schedule of expenditures of federal awards and state financial assistance.

Pasco County, Florida
Schedule of Findings and Questioned Costs

Part III – Findings and Questioned Costs – Federal Programs

None

Part IV – Findings and Questioned Costs – State Projects

None



Part II – Financial Statement Findings

2018-001 – Preparation of the Schedule of Federal Awards and State Financial Assistance

US Department of Homeland Security's Federal Emergency Management Agency (FEMA) – CFDA 97.067, Contract FEMA-DR-4337

US Department of Housing and Urban Development Community Development Block Grant (CDBG) – CFDA 14.218, Loans

US Department of Housing and Urban Development Home Investment Partnership Program (HOME) – CFDA 14.239, Loans

US Department of Housing and Urban Development Neighborhood Stabilization Program (NSP) – CFDA 14.256, Loans

US Department of Housing and Urban Development State Housing Initiative Partnership (SHIP) – CSFA 40.901, Loans

Criteria – Management is responsible for establishing controls over the preparation of an accurate and complete schedule of expenditures of federal awards and state financial assistance (2 CFR 200.303).

Condition – The County had a control weakness that resulted in management failing to comply with the requirement to prepare an accurate schedule of expenditures of federal awards and state assistance (2 CFR 200.508(b)). Federal expenditures were understated on the schedule of expenditures of federal awards by \$1,004,542 for the FEMA grant and \$665,305 for the HOME grant. Federal expenditures were overstated on the schedule of expenditures of federal awards by \$29,371 for the CDBG grant and \$1,288,142 for the NSP grant. State expenditures were overstated on the schedule of expenditures of state assistance by \$1,942,985 for the SHIP grant.

Cause – Certain grants were not recognized accurately in the client prepared schedule of expenditures of federal awards and state financial assistance.

Effect – Failure to properly prepare the schedule affected the reconciliation of the underlying accounting records and financial statements to the schedule.

Recommendation – We recommend the County improve its financial reporting close process to more accurately complete and review the schedule of expenditures of federal awards and state financial assistance. This process should also include a procedure to have someone in each department perform an independent review of their portion of the schedule.

Corrective Action Plan – Management concurs with the recommendation. An independent departmental review has been implemented. Corrective action is in the planning phase, where Financial Services have created a project for applying new procedures to monitor and manage the grants. This project includes training that will allow County Fiscal to efficiently reconcile grants on a periodic basis. County Fiscal and Financial Reporting staff will work together to develop a review process for the schedule of expenditures of federal awards and state financial assistance.

Pasco County, Florida
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2017

Prior Audit Findings

2017-001: Financial Reporting

Condition Found

As part of our audit, we noted three items that required restatement of prior period balances. The specific items are noted below:

- Two of those issues came from the audit of the Pasco County Sheriff's Office, which are incorporated into these financial statements. The Pasco County Sheriff's Office financial statements were issued on June 29, 2018, and those comments can be found in that report.
- Due from other governments balances at the end of the fiscal year had been previously collected in prior years or should not have been recorded in the fund level statements originally – required restatement of previously issued net position and fund balances.
- We also noted other instances of financial reporting that were not in accordance with generally accepted accounting principles (GAAP). The specific items are noted below:
 - At the end of the fiscal year, payroll accrual was not recorded in accordance with GAAP.
 - Accounts payable and purchase card payables were not accurately allocated to funds.
 - Pooled cash was not accurately allocated to funds.
 - Grant expenses were not allocated to specific funds using transfers.
 - Enterprise funds did not record principal payments on the full-accrual basis of accounting.
 - Housing notes receivable and unavailable revenue were not accurately stated at the end of the fiscal year.
 - Compensated absences balance as of the end of the fiscal year was not properly stated.

Recommendation

We recommend that the County continue to review, revise, and formalize its accounting procedures and year-end processes. The County should continue to fill their open accounting positions, enhancing its ability to review balances proactively throughout the year with comparisons to prior year and budget. This will enable management to identify any accounting issues in a timely and efficient manner, ensuring proper year-end cut-off.

Current Status

During testing, it was noted procedures had been implemented to enhance its review and reconciliation of balances. No similar findings were noted in the audit.