

**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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 21, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002, and 2020-003 to be a material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-004 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pasco County, Florida'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002, 2020-003, and 2020-004.

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.

Carly Riggs & Ingram, L.L.C.

Tampa, Florida
April 21, 2021

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, 2020. 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 qualified and unmodified opinions on compliance major federal programs and major state projects. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on CSFA 40.901 State Housing Initiative Partnership

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding CSFA 40.901 State Housing Initiative Partnership as described in finding number 2020-002 for Reporting and Period of Availability and finding number 2020-003 for Cash Management. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that project.

Qualified Opinion on CSFA 40.901 State Housing Initiative Partnership

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 CSFA 40.901 State Housing Initiative Partnership for the year ended September 30, 2020.

Unmodified Opinion on Each of the Other Major Federal Programs and State Projects

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 other major federal programs and state projects identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2020.

Other Matters

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

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.

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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2020-002 and 2020-003 to be material weaknesses.

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. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies. However, significant deficiencies may exist that have not been identified.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Cam, Riggs & Ingram, L.L.C.

Tampa, Florida
April 21, 2021

Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL CFDA NUMBER	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
U.S Department Of Agriculture				
Rural Housing Preservation Grants	10.433		\$ 758,299	\$ -
SNAP Cluster-Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	QJZA3	25,095	-
Total SNAP Cluster-Cluster			<u>25,095</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>783,394</u>	<u>-</u>
U.S Department Of Commerce				
Economic Development Cluster				
Economic Adjustment Assistance	11.307	04-69-07350	10,000	-
Total Economic Development Cluster			<u>10,000</u>	<u>-</u>
Total U.S Department Of Commerce			<u>10,000</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	Outstanding Loans	3,952,150	-
Community Development Block Grants/Entitlement Grants	14.218	B14-UC-12-009	81,171	59,782
Community Development Block Grants/Entitlement Grants	14.218	B15-UC-12-009	62,733	44,846
Community Development Block Grants/Entitlement Grants	14.218	B17-UC-12-009	557,574	500,908
Community Development Block Grants/Entitlement Grants	14.218	B18-UC-12-009	2,162,677	1,888,229
Community Development Block Grants/Entitlement Grants	14.218	B19-UC-12-009	1,177,298	16,071
Community Development Block Grants/Entitlement Grants	14.218	Program Income	869,252	427,362
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	CDBG-CV	510,328	-
Neighborhood Stabilization Program NSP 1	14.218	Outstanding Loans	5,217,876	-
Neighborhood Stabilization Program NSP 3	14.218	Outstanding Loans	1,163,124	-
Neighborhood Stabilization Program NSP 3	14.218	Program Income	28,848	-
Total CDBG - Entitlement Grants Cluster			<u>15,783,031</u>	<u>2,937,198</u>
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228		30,744	-
Emergency Solutions Grant Program	14.231	E17UC120009	45,583	45,583
Emergency Solutions Grant Program	14.231	E18UC20017	28,124	28,125
Emergency Solutions Grant Program	14.231	E19UC20018	160,493	160,493
COVID-19 Emergency Solutions Grant Program	14.231		267	-
Total Emergency Solutions Grant Program			<u>234,467</u>	<u>234,201</u>
Home Investment Partnerships Program	14.239	Outstanding Loans	15,409,950	-
Home Investment Partnerships Program	14.239	M19-UC-120015	105,033	-
Home Investment Partnerships Program	14.239	M17-UC-120016	105,158	-
Home Investment Partnerships Program	14.239	M16-UC-120016	40,615	-
Home Investment Partnerships Program	14.239	M15-UC-120216	68,554	-
Home Investment Partnerships Program	14.239	Program Income	181,761	-
Home Investment Partnerships Program	14.239	M18-UC-120016	5,074	-
Total Home Investment Partnerships Program			<u>15,916,145</u>	<u>-</u>

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL CFDA NUMBER	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
<i>Passed through Neighborhood Lending Association</i>				
Neighborhood Stabilization Program (Recovery Act Funded) NSP2	14.256	Outstanding Loans	8,367,021	-
Neighborhood Stabilization Program (Recovery Act Funded) NSP2	14.256	Program Income	<u>67,425</u>	-
Neighborhood Stabilization Program (Recovery Act Funded) NSP2			<u>8,434,446</u>	-
Total U.S. Department of Housing and Urban Development			<u>40,398,833</u>	<u>3,171,399</u>
U.S. Department of Justice				
COVID-19 Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-0278	<u>323,240</u>	-
Crime Victim Assistance	16.575	VOCA-2019-Pasco County Sheriff's Of- 00305	<u>112,450</u>	-
Crime Victim Assistance/Discretionary Grants	16.582	2018-V3-GX-0005	<u>138,198</u>	-
Violence Against Women Formula Grants	16.588	20-8009-LE-INV	76,614	-
Violence Against Women Formula Grants	16.588	LN090	<u>25,113</u>	-
Total Violence Against Women Formula Grants			<u>101,727</u>	-
State Criminal Alien Assistance Program	16.606	2015-AP-BX-0142	<u>8,544</u>	-
Bulletproof Vest Partnership Program	16.607	FY18 Award	<u>83,152</u>	-
Public Safety Partnership and Community Policing Grants	16.710	2020-UL-WX-0044	<u>36,212</u>	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-PASC-1-Y- 057	11,770	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738		95,583	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0663	15,177	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0844	82,092	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-WY-BX-0004	<u>141,878</u>	-
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>346,500</u>	-
DNA Backlog Reduction Program	16.741	2017-AK-BX-0008	<u>38,822</u>	-
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	2019-ODMAP-026	<u>6,556</u>	-
STOP School Violence	16.839	2019-YS-BX-0040	<u>44,500</u>	-
Equitable Sharing Program	16.922		<u>311,257</u>	-
Total U.S. Department Of Justice			<u>1,551,158</u>	-

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL CFDA NUMBER	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
U.S. Department of Transportation				
<i>Passed through Florida Department of Transportation</i>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	GOW73	486,557	-
Highway Planning and Construction	20.205	G1M01	117,778	-
Highway Planning and Construction	20.205	G0Z81	120,454	-
Highway Planning and Construction	20.205	GOR20	109,117	-
Highway Planning and Construction	20.205	GOW33	42,328	-
Highway Planning and Construction	20.205	GOR21	144,699	-
Total Highway Planning and Construction Cluster			1,020,933	-
<i>Passed through Florida Department of Transportation</i>				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	G0T96	6,908	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	G1681	144,939	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	G1681	18,117	-
Total Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			169,964	-
<i>Passed through Florida Department of Transportation</i>				
Federal Transit Cluster				
Federal Transit Formula Grants	20.507	FL90X-847	36,813	-
Federal Transit Formula Grants	20.507	FL90X-871	157,161	-
Federal Transit Formula Grants	20.507	FL90X-895	568,842	-
Federal Transit Formula Grants	20.507	FL-2019-024	654,306	-
Federal Transit Formula Grants	20.507	FL2020-061	712,154	-
COVID-19 Federal Transit Formula Grants	20.507	FL-2020-098	3,454,692	-
Total Federal Transit Formula Grants			5,583,968	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions	20.526	FL-34-0036	263,938	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions	20.526	G1945	47,357	-
Total Buses and Bus Facilities Formula, Competitive, and Low or No Emissions			311,295	-
Total Federal Transit Cluster			5,895,263	-
<i>Passed through Florida Department of Transportation</i>				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	GOV49	41,127	-
Total U. S. Department of Transportation			7,127,287	-
Department of the Treasury				
COVID-19 Coronavirus Relief Fund	21.019		65,139,294	19,232,704
<i>Passed through Florida Housing Finance Corporation</i>				
COVID-19 Coronavirus Relief Fund	21.019	#085-2020	627,515	-
Total Coronavirus Relief Fund			65,766,809	19,232,704
Total U.S. Department of the Treasury			65,766,809	19,232,704

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL CFDA NUMBER	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
National Endowment for the Humanities				
Promotion of the Humanities Federal/State Partnership	45.129	GR_1218_4600_2529	1,438	-
Total National Endowment for the Humanities			1,438	-
U.S. Election Assistance Commission				
<i>Passed through Florida Department of State, Division of Elections</i>				
Help America Vote Act Requirements Payments	90.401		47,400	-
Help America Vote Act Requirements Payments	90.401	0E051	31,079	-
Total Help America Vote Act Requirements Payments			78,479	-
<i>Passed through Florida Department of State, Division of Elections</i>				
COVID-19 - 2018 HAVA Election Security Grants	90.404		346,160	-
Total U.S. Election Assistance Commission			424,639	-
U.S Department of Health and Human Services				
Aging Cluster				
<i>Passed Through Florida Department of Elder Affairs</i>				
COVID-19 Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	ECA20-PASCO-NUTRITION	371,320	-
COVID-19 Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	ECA20-PASCO-TRANSPORTATION	69,120	-
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	OAA-EA019-PASCO-IIIIB	3,000	-
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	OAA-EA020-PASCO-IIIIB	3,000	-
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	OAA-EA019-PASCO-IIIIB	79,321	-
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	OAA-EA020-PASCO-IIIIB	24,504	-
Total Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers			550,265	-
<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	EA020	513,311	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	EA019	256,421	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	EA020	4,486	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	EA019	1,565	-
Total Special Programs for the Aging Title III, Part C Nutrition Services			775,783	-
Nutrition Services Incentive Program	93.053	EA020	119,189	-
Nutrition Services Incentive Program	93.053	EA019	29,186	-
Total Nutrition Services Incentive Program			148,375	-
Total Aging Cluster			1,474,423	-

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL CFDA NUMBER	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
<i>Passed through National Center for Injust Prevention and Control Injury Prevention and Control Research and State and Community Based</i>	93.136	PC902	71,882	-
<i>Passed through Florida Department of Health Substance Abuse and Mental Health Services Projects of Regional and National Significance</i>	93.243	2721	364,151	-
<i>Passed through Florida Department of Children and Families Temporary Assistance for Needy Families</i>	93.558	QJZA3	602,278	-
<i>Temporary Assistance for Needy Families</i>	93.558	QJZA3	3,312,531	-
<i>Temporary Assistance for Needy Families</i>	93.558	QJZA3	1,044,578	-
<i>Temporary Assistance for Needy Families</i>	93.558	QJZA3	336,390	-
Total Temporary Assistance for Needy Families			5,295,777	-
<i>Passed through Florida Department of Revenue Child Support Enforcement</i>	93.563	COC51	371,750	-
<i>Passed through Florida Department of Elder Affairs Low-Income Home Energy Assistance</i>	93.568	EP019	59,125	-
<i>Foster Care Title IV-E</i>	93.658	QJZA3	250,949	-
<i>Foster Care Title IV-E</i>	93.658	QJZA3	88,524	-
Total Foster Care Title IV-E			339,473	-
<i>Social Services Block Grant</i>	93.667	QJZA3	803,038	-
<i>Social Services Block Grant</i>	93.667	QJZA3	283,275	-
Total Social Services Block Grant			1,086,313	-
Medicaid Cluster				
<i>Medical Assistance Program</i>	93.778	QJZA3	25,095	-
<i>Medical Assistance Program</i>	93.778	QJZA3	17,705	-
Total Medicaid Cluster			42,800	-
Total U.S. Department of Health and Human Services			9,105,694	-
Executive Office of the President				
<i>Passed through Office of National Drug Control Policy High Intensity Drug Trafficking Areas Program</i>	95.001	G19CF0014A	142,220	-
<i>High Intensity Drug Trafficking Areas Program</i>	95.001	G20CF0014A	231,309	-
Total High Intensity Drug Trafficking Areas Program			373,529	-
Total Executive Office of the President			373,529	-

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL CFDA NUMBER	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
U.S. Department of Homeland Security				
Flood Mitigation Assistance	97.029	B0001	12,887	-
<i>Passed through Florida Division of Emergency Management</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z0775	5,590,377	-
<i>Passed through Florida Division of Emergency Management</i>				
Hazard Mitigation Grant	97.039	H0082	2,140,640	-
Hazard Mitigation Grant	97.039	H0040	388,055	-
Hazard Mitigation Grant	97.039	H0041	266,880	-
Hazard Mitigation Grant	97.039	H0042	5,130	-
Total Hazard Mitigation Grant			2,800,705	-
<i>Passed through Florida Division of Emergency Management</i>				
Emergency Management Performance Grants	97.042	G0064	136,244	-
<i>Passed through Florida Department of Community Affairs</i>				
Homeland Security Grant Program	97.067	19-DS-06-09-46-23- 283	45,420	
Homeland Security Grant Program	97.067	R0072	81,621	-
Total Homeland Security Grant Program			127,041	-
Total U.S. Department of Homeland Security			8,667,254	-
Total Expenditures of Federal Awards			\$ 134,210,035	\$ 22,404,103

Pasco County, Florida
Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2020

<u>STATE AGENCY, STATE PROGRAM</u>	<u>CSFA NUMBER</u>	<u>CONTRACT NUMBER</u>	<u>EXPENDITURES</u>
Executive Office of the Governor			
Emergency Management Preparation and Assistance	31.063	A0041	\$ 105,806
Total Executive Office of the Governor			<u>105,806</u>
Florida Department of Economic Opportunity			
<i>Passed through Florida Sports Foundation</i>			
Economic Development Partnerships Program	40.040	140152917	1,095
Economic Development Partnerships Program	40.040	147364819	5,000
Economic Development Partnerships Program	40.040	147363106	2,790
Economic Development Partnerships Program	40.040	154224457	12,692
Economic Development Partnerships Program	40.040	140147370	2,500
Economic Development Partnerships Program	40.040	147373138	1,250
Economic Development Partnerships Program	40.040	147375367	2,500
Total Economic Development Partnerships Program			<u>27,827</u>
Economic Development Tax Refund, Tax Credit, and Grant Program	40.043	G0051	293,178
Total Florida Department of Economic Opportunity			<u>321,005</u>
Florida Housing Finance Corporation			
State Housing Initiatives Partnership Program	40.901		1,047,498
State Housing Initiatives Partnership Program	40.901	M01-UC-18-0216	1,099,207
State Housing Initiatives Partnership Program	40.901	M01-UC-19-0216	286,335
State Housing Initiatives Partnership Program	40.901	M01-UC-20-0216	136,414
Total Florida Housing Finance Corporation			<u>2,569,454</u>
Florida Department of State and Secretary of State			
State Aid to Libraries	45.030	20-ST-68	161,774
Total Florida Department of State and Secretary of State			<u>161,774</u>
Florida Department of Education and Commissioner of Education			
Coach Aaron Feis Guardian Program	48.140	96R-90210-0D001	615,251
Total Florida Department of Education and Commissioner of Education			<u>615,251</u>
Florida Department of Transportation			
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant	55.001	G1A56	643,555
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant	55.001	G1023	114,632
Total Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program			<u>758,187</u>

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Pasco County, Florida
Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2020

STATE AGENCY, STATE PROGRAM	CSFA NUMBER	CONTRACT NUMBER	EXPENDITURES
Florida Commission for the Transportation Disadvantaged (CTD) Planning Grant	55.002	G1878	30,030
Florida Commission for the Transportation Disadvantaged (CTD) Planning Grant	55.002	G1N79	<u>1,338</u>
Total Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program			<u>31,368</u>
Florida Highway Beautification Grant Program	55.003	G0T73	451,969
Florida Highway Beautification Grant Program	55.003	AS476	<u>716</u>
Total Florida Highway Beautification Grant Program			<u>452,685</u>
County Incentive Grant Program	55.008	G1493	25,721
County Incentive Grant Program	55.008	G0N01	591,187
County Incentive Grant Program	55.008	G0144	114,157
County Incentive Grant Program	55.008	G1K76	21,421
County Incentive Grant Program	55.008	G1K78	5,529
County Incentive Grant Program	55.008	G1J31	<u>3,340</u>
Total County Incentive Grant Program			<u>761,355</u>
Public Transit Block Grant	55.010	G0Z68	<u>438,244</u>
Public Transit Service Development Program	55.012	G0923	<u>37,716</u>
Transit Corridor Development Program	55.013	G0T96	863
Transit Corridor Development Program	55.013	G1313	55,187
Transit Corridor Development Program	55.013	G1312	<u>165,152</u>
Total Transit Corridor Development Program			<u>221,202</u>
Total Florida Department of Transportation			<u>2,700,757</u>
Florida Department of Elder Affairs			
Loan Services Program	65.009	EL019	48,406
Loan Services Program	65.009	OAA-EL019-PASCO IIIB	<u>121,238</u>
Total Florida Department of Elder Affairs			<u>169,644</u>
Florida Department of Law Enforcement			
Thomas Varnadoe Forensics Center for Education and Research, Pasco County Sheriffs Office	71.035	2019-SFA-FCO-51-3K-003	<u>337,071</u>
Total Florida Department of Law Enforcement			<u>337,071</u>

Continued

Pasco County, Florida
Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2020

<u>STATE AGENCY, STATE PROGRAM</u>	<u>CSFA NUMBER</u>	<u>CONTRACT NUMBER</u>	<u>EXPENDITURES</u>
Florida Department of Juvenile Justice			
Juvenile Assessment Centers	80.020	10368	<u>270,832</u>
Diversion Services	80.022	10350	<u>204,499</u>
Delinquency Prevention	80.029	10350	<u>150,000</u>
Total Florida Department of Juvenile Justice			<u>625,331</u>
Total Expenditures of State Financial Assistance			<u><u>\$ 7,606,093</u></u>

Pasco County, Florida
Notes to Schedule of Expenditures 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, 2020.

NOTE 3: LOANS OUTSTANDING

The County had the following loan balances outstanding at September 30, 2020. 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	\$ 10,333,150
14.239	Home Investment Partnerships Program	\$ 15,409,950
14.256	Neighborhood Stabilization Program NSP 2	\$ 8,367,021
40.901	State Housing Initiative Partnership (SHIP) Program	\$ 21,387,878

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, 2020, 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

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | |
|--|-----------------|
| 1. Type of auditors’ report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | None |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None |
| 4. Identification of major programs: | |
| Federal Awards | CFDA |
| COVID-19 Coronavirus Relief Fund | 21.019 |
| Temporary Assistance for Needy Families | 93.558 |
| Federal Transit Formula Grants, Federal Transit Cluster | 20.507 / 20.526 |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$3,000,000 |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520? | No |

State Awards:

- | | |
|---|------------|
| 1. Type of auditors’ report issued on compliance for major programs: | |
| CSFA 40.901 - Modified | |
| CSFA 55.001 - Unmodified | |
| CSFA 48.140 - Unmodified | |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with Rule 10.554(1)(l)(4)? | Yes |
| 4. Identification of major projects: | |
| State Projects | CSFA |
| State Housing Initiative Partnership | 40.901 |
| Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant | 55.001 |
| Coach Aaron Feis Program | 48.140 |
| 7. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |

Pasco County, Florida Schedule of Findings and Questioned Costs

Part II – Financial Statement Findings

Material Weakness

Finding Number: 2020-001: Financial Reporting

Criteria: The County is required to record revenue in the correct fiscal year in accordance with generally accepted accounting principles.

Condition: Pasco County has experienced difficulty in accurately recording revenue in the correct fiscal year in accordance with generally accepted accounting principles.

Cause: The County did not accurately record revenue to the correct fiscal year which caused multiple restatements to previously reported balances. In the aggregate remaining fund information, cash was collected in a prior year as a deposit for mobility fees. The funds will be refunded to developers in future periods as projects are completed. However, the collections had been reported as revenue in a previous period instead of a deposit liability. In the Solid Waste Disposal and Resource Fund, solid waste assessments were reported as revenue in the incorrect period.

Effect: Due to the size of the required corrections to previously reported balances, the corrections were necessary to be recorded to opening net position and fund balance. The entries were as follows:

- Approximately \$3,900,000 adjustment to opening fund balance in the aggregate remaining funds and opening net position in the governmental activities
- Approximately \$6,100,000 adjustment to opening net position in the business-type activities and Solid Waste Disposal and Resource Fund

Recommendation: The County should continue to review revenue, deposit and accounts receivable transactions to ensure related revenue is appropriately recorded to the correct fiscal period. In addition, the County should continue to review accounting policies and processes to limit the opportunity to record revenue in the incorrect period.

Response: See attached Corrective Action Plan.

Significant Deficiency

Finding Number: 2020-004 (originally reported as 2018-001): Preparation of the Schedule of Federal Awards and State Financial Assistance

Criteria: 2 CFR 200.510(b), requires the auditee to prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with 2 CFR 200.502.

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 overstated on the schedule of expenditures of federal awards by \$613,062 for the Disaster Grants CFDA 97.036. Additionally, one CFDA was incorrectly reported on the schedule of expenditures of federal awards and state assistance.

Cause: Certain grants were not recognized accurately in the client prepared schedule of expenditures of federal awards and state financial assistance and an incorrect CFDA number was presented for one program.

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

Pasco County, Florida Schedule of Findings and Questioned Costs

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.

Response: See attached Corrective Action Plan.

Part III – Findings and Questioned Costs – Federal Awards

None

Part IV – Findings and Questioned Costs – State Awards

Material Weakness

Finding Number: 2020-002

CSFA # 40.901:

State Project: State Housing Initiatives Partnership Program (SHIP)

Passed through: N/A

Contract Number and Year: N/A, 2020

Compliance Requirement: Reporting and Period of Availability

Questioned Costs: \$700,000

Criteria: Rule Chapter 67-37007(1)(a-c), Florida Administrative Code, requires all local housing distribution funds be Encumbered by June 30 of the State fiscal year following the end of the applicable State fiscal year, funds deposited to the local housing assistance trust fund must be Expended within 24 months from the end of the applicable State fiscal year, and if funds remain unexpended after the original or extended deadline, the County will be deemed to be in non-compliance and funds will be subject to recapture by the Corporation.

Section 420.9075(10), Florida Statutes, requires each county to submit to the corporation by September 15 of each year a report of its affordable housing programs and accomplishments through June 30 immediately preceding submittal of the report. The report shall be certified as accurate and complete by the local government's chief elected official or his or her designee. Transmittal of the annual report by a county's or eligible municipality's chief elected official, or his or her designee, certifies that the local housing incentive strategies, or, if applicable, the local housing incentive plan, have been implemented or are in the process of being implemented pursuant to the adopted schedule for implementation.

Condition: Encumbered amounts of \$700,000 were included in the SHIP annual Close-Out Report for the 2017/2018 LHAP as expended amounts through June 30, 2020 in order for the County to meet the statutory requirement of 30% of SHIP Funds to be used for Extreme and Very Low Income citizens of Pasco County. Funds were subsequently expended in FY2021 outside the period of availability.

Cause: The County did not meet the statutory requirement that 30% of SHIP Funds be used for Extreme and Very Low Income citizens of Pasco County for the 2017/2018 LHAP within the required period of availability.

Effect: SHIP funds not used in accordance with State requirements and funds not expended in the appropriate period could result in loss of future funding or requirement for the County to reimburse the SHIP fund from the General Fund.

Pasco County, Florida Schedule of Findings and Questioned Costs

Recommendation: The County should strengthen its process surrounding review of ongoing cases under the SHIP program to ensure Statutory requirements for populations served are in compliance and will be completed within the appropriate period.

Response: See attached Corrective Action Plan.

Material Weakness

Finding Number: 2020-003

CSFA # 40.901:

State Project: State Housing Initiatives Partnership Program (SHIP)

Passed through: N/A

Contract Number and Year: N/A, 2020

Compliance Requirement: Cash Management

Questioned Costs: \$237,024

Criteria: Rule Chapter 67-37005(4)(r)(3), Florida Administrative Code, requires the local housing assistance plan (LHAP) to include the maximum amount of funding per unit for each strategy. Rule Chapter 67-37.006(3), Florida Administrative Code, requires amendments to an approved local housing assistance plan (LHAP) be adopted by resolution and the County to provide a copy to the Corporation within 21 days after adoption.

Condition: The County exceeded the LHAP maximums for six cases reported in the 2017/2018 LHAP Close-Out Report. Approval by the Pasco County Board of County Commissioners was obtained subsequent to year-end on October 20, 2020 and not submitted to the Florida Housing Finance Corporation within 21 days after adoption.

Cause: The County did not obtain Board approval for the overages prior to the submission of the 2017/2018 Close-Out Report and did not amend the LHAP to reflect the overages before the close out period for the 2017/2018 LHAP.

Effect: Costs that exceed the LHAP maximums that are not approved by the Board could be considered unallowable costs/activities and require reimbursement to the SHIP fund.

Recommendation: The County should strengthen its process surrounding review of SHIP cases on a routine bases to ensure the LHAP maximums are not exceeded. However, where maximums are anticipated to be exceeded, the County should seek Board approval and amend the LHAP in a timely manner.

Response: See attached Corrective Action Plan.

Pasco County, Florida Schedule of Findings and Questioned Costs

Part V – Summary of Prior Year Audit Findings

Finding Number: 2019-001 (originally reported as 2018-001): Preparation of the Schedule of Federal Awards and State Financial Assistance

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 \$359,442 for the Federal Transit grant and a net of \$4,038,159 for the Disaster Grants. Federal expenditures were overstated on the schedule of expenditures of federal awards by \$1,337,626 for the CDBG grant and \$535,259 for the HMGP. State expenditures were understated on the schedule of expenditures of state assistance by \$245,101 for the Coach Aaron Feis Guardian Program. State expenditures were overstated on the schedule of expenditures of state assistance by \$23,750,358 for the SHIP grant, \$4,839,032 for the TRIP grant and \$842,515 for the CIGP grant.

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.

Current Status: Similar findings were identified in the current audit with a program on the SEFA incorrectly reported as well as one CFDA number incorrectly reported. This will be reported as a finding for 9/30/2020 as 2020-004.



Material Weakness

2020-001: Financial Reporting

Condition: Pasco County has had trouble accurately recording revenue in the correct fiscal year in accordance with generally accepted accounting principles.

Cause: The County did not accurately record revenue to the correct fiscal year which caused multiple restatements to previously reported balances. In the aggregate remaining fund information, cash was collected in a prior year as a deposit for mobility fees. The funds will be refunded to developers in future periods as projects are completed. However, the collections had been reported as revenue in a previous period instead of a deposit liability. In the Solid Waste Disposal and Resource Fund, solid waste assessments were reported as revenue in the incorrect period.

Effect: Due to the size of the required corrections to previously reported balances, the corrections were necessary to be recorded to opening net position and fund balance. The entries were as follows:

- Approximately \$3,900,000 adjustments to opening fund balance in the aggregate remaining funds and opening net position in the governmental activities
- Approximately \$6,100,000 adjustment to opening net position in the business-type activities and Solid Waste Disposal and Resource Fund

Criteria: The County is required to record revenue in the correct fiscal year in accordance with generally accepted accounting principles.

Recommendation: The County should continue to review revenue, deposit and accounts receivable transactions to ensure related revenue is appropriately recorded to the correct fiscal period. In addition, the County should continue to review accounting policies and processes to limit the opportunity to record revenue in the incorrect period.

Response and Corrective Action Plan: Pasco County Development Services Administration (DSA) is dedicated to reporting on all applicable transactions processed by our team, including fees to be collected for other divisions and funds, accurately and timely. At the end of FY20 we discovered that select developer credit automations went off-line. This caused selected developer agreements that covered mobility fees to be processed as ordinary revenue, instead of a liability. As a result, DSA's Fiscal team has identified the necessary resources/reports to identify developer agreements that covered mobility fees and began correcting these transactions for FY20 and FY21 as applicable, based on our inquiries and coordination's with Public Infrastructure.

To prevent the opportunity of future misreporting, DSA, along with the Office of Performance Management, has started to review and process map the major events with the intention of creating a multi Division/Org SOP and optimizing the control process proactively. This will allow the Accela (permit software) team to identify the proper data fields and create future developer credit automations to scale

with our growth and future agreements. To further support this process, DSA Fiscal will review and identify of all known developer agreements, reconcile against the applicable automation totals, and make year-end correcting adjustments as necessary, on a semi-annual basis.

Contact: Amy Bland, Assistant Fiscal Director, Development Services
Anticipated Completion Date: September 30, 2021

Public Infrastructure Fiscal and Business Administration has reviewed the recommendation provided and agrees. We will continue to evaluate, improve, and implement policies and procedures related to revenue recognition including significant journal entries. This year’s specific adjustment relates to the re-alignment of Solid Waste Commercial Assessment revenue to the fiscal year versus the calendar year. This resulted in the recognition of an additional 3 months’ worth of revenue in this reporting period.

Moving forward, Public Infrastructure Fiscal and Business Administration will work with the Clerk & Comptroller’s Finance Department and other County departments to ensure that proper documentation and reporting procedures are followed, and revenues are captured and reported within the fiscal year collected. There has also already been corrective action in monthly reporting procedures to ensure reporting aligns with the fiscal year. In addition, we will continue to identify efficiencies in our financial management software that will allow for increased accuracy in financial reporting.

Contact: Justin Grant, Utilities Fiscal & Business Services Director, Public Infrastructure & Business Administration
Anticipated Completion Date: September 30, 2021

Material Weakness

2020-02: CSFA # 40.901:

State Project: State Housing Initiatives Partnership Program (SHIP)

Passed through: N/A

Contract Number and Year: N/A, 2020

Compliance Requirement: Reporting and Period of Availability

Questioned Costs: \$700,000

Criteria: Rule Chapter 67-37007(1)(a-c), Florida Administrative Code, requires all local housing distribution funds be Encumbered by June 30 of the State fiscal year following the end of the applicable State fiscal year, funds deposited to the local housing assistance trust fund must be Expended within 24 months from the end of the applicable State fiscal year, and if funds remain unexpended after the original or extended deadline, the County will be deemed to be in non-compliance and funds will be subject to recapture by the Corporation.

Section 420.9075(10), Florida Statutes, requires each county to submit to the corporation by September 15 of each year a report of its affordable housing programs and accomplishments through June 30 immediately preceding submittal of the report. The report shall be certified as accurate and complete by the local government’s chief elected official or his or her designee. Transmittal of the annual report by a county’s or eligible municipality’s chief elected official, or his or her designee, certifies that the local

housing incentive strategies, or, if applicable, the local housing incentive plan, have been implemented or are in the process of being implemented pursuant to the adopted schedule for implementation.

Condition: Encumbered amounts of \$700,000 were included in the SHIP annual Close-Out Report for the 2017/2018 LHAP as expended amounts through June 30, 2020 for the County to meet the statutory requirement of 30% of SHIP Funds to be used for Extreme and Very Low Income citizens of Pasco County.

Funds were subsequently expended in FY2021 outside the period of availability.

Cause: The County did not meet the statutory requirement that 30% of SHIP Funds be used for Extreme and Very Low Income citizens of Pasco County for the 2017/2018 LHAP within the required period of availability.

Effect: SHIP funds not used in accordance with State requirements and funds not expended in the appropriate period could result in loss of future funding or requirement for the County to reimburse the SHIP fund from the General Fund.

Recommendation: The County should strengthen its process surrounding review of ongoing cases under the SHIP program to ensure Statutory requirements for populations served is complying and will be completed within the appropriate period.

Response and Corrective Action Plan : Community Development Management has reviewed Finding 2020 – 002 and concurs. The Department has already developed and implemented a process to review incoming applications to score and rank them to ensure statutory requirements for populations served are being met within the required time period. The Department is also developing an outreach plan to reach lower income and special needs populations.

Contact: March Esbjerg, Community Development Director, Community Development

Completion Date: April 20, 2021

Material Weakness

2020-03: CSFA # 40.901:

State Project: State Housing Initiatives Partnership Program (SHIP)

Passed through: N/A

Contract Number and Year: N/A, 2020

Compliance Requirement: Cash Management

Questioned Costs: \$237,024

Criteria: Rule Chapter 67-37005(4)(r)(3), Florida Administrative Code, requires the local housing assistance plan (LHAP) to include the maximum amount of funding per unit for each strategy. Rule Chapter 67-37.006(3), Florida Administrative Code, requires amendments to an approved local housing assistance plan (LHAP) be adopted by resolution and the County to provide a copy to the Corporation within 21 days after adoption.

Condition: The County exceeded the LHAP maximums for six cases reported in the 2017/2018 LHAP Close-Out Report. Approval by the Pasco County Board of County Commissioners was obtained subsequent to year-end on October 20, 2020 and not submitted to the Florida Housing Finance Corporation within 21 days after adoption.

Cause: The County did not obtain Board approval for the overages prior to the submission of the 2017/2018 Close-Out Report and did not amend the LHAP to reflect the overages before the close out period for the 2017/2018 LHAP.

Effect: Costs that exceed the LHAP maximums that are not approved by the Board could be considered unallowable costs/activities and require reimbursement to the SHIP fund.

Recommendation: The County should strengthen its process surrounding review of SHIP cases on a routine bases to ensure the LHAP maximums are not exceeded. However, where maximums are anticipated to be exceeded, the County should seek Board approval and amend the LHAP in a timely manner.

Response and Corrective Action Plan : Community Development Management has reviewed Finding 2020 – 003, concurs and has taken appropriate actions to ensure LHAP maximums are not exceeded.

The six cases reported in the 2017/2018 LHAP report occurred under the previous administration and were not discovered until our current team began preparing the report. SHIP jurisdictions have three years in which to expend and report on SHIP cases. Management did bring the overages to the Board for approval on 10/20/20 as soon as these cases were discovered in August 2020. In addition, when the new Local Housing Assistance Plan was written in 2018, maximum amounts per unit were revised. Current administration has procedures in place to ensure these amounts are not exceeded.

The corrected and completed SHIP report will be submitted to the Florida Housing Finance Corporation along with the Board approval of the expenditure overages. The approval of the expenditure overages is not required to be submitted within 21 days of approval; that timeframe exists for an amended LHAP.

Contact: March Esbjerg, Community Development Director, Community Development

Completion Date: April 20, 2021

Significant Deficiency

2020-004 (originally reported as 2018-001): Preparation of the Schedule of Federal Awards and State Financial Assistance

Criteria: 2 CFR 200.510(b), requires the auditee to prepare a schedule of expenditures of Federal awards for the period covered by the auditee’s financial statements which must include the total Federal awards expended as determined in accordance with 2 CFR 200.502.

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 overstated on the schedule of expenditures of federal awards by \$613,062 for the Disaster Grants CFDA 97.036. Additionally, one CFDA was incorrectly reported on the

schedule of expenditures of federal awards and state assistance.

Cause: Certain grants were not recognized accurately in the client prepared schedule of expenditures of federal awards and state financial assistance and an incorrect CFDA number was presented for one program.

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.

Response and Corrective Action Plan: The County will revise the Reporting Guidelines for Disaster Public Assistance to clarify which transactions should be reported for the respective fiscal year versus project worksheet totals. In addition, the County will institute a review process that requires each county department to perform an independent review of their respective portion of the schedule, along with a secondary review by the Clerk & Comptroller's Finance Department.

Contact: Patrick Ballinger, Grants Coordinator, Office of Management & Budget
Completion Date: April 21, 2021

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of Pasco County, Florida (the County) as of and for the year ended September 30, 2020, and have issued our report thereon dated April 21, 2021.

Auditors' 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; 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 Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; 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 and schedule, which are dated April 21, 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 annual financial audit report. All findings made in the preceding annual financial report are no longer relevant.

Financial Condition and Management

Section 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 County has met one of 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 County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by 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 identified an adjustment to the Solid Waste Disposal and Resource Fund. We recommend that management continue to review accounts receivable to appropriately state the balance at net realizable value and ensure the general ledger is able to be accurately reconciled to the subsidiary ledger. Further, in connection with our audit, we identified a control deficiency related to inaccurate expenditures reported on the client prepared schedule of expenditures of federal awards and state financial assistance. We recommend the County continue to improve its financial reporting close process to ensure the schedule of expenditures of federal awards and state financial assistance is reported completely and accurately.

Special District Component Units

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

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, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carly Riggs & Ingram, L.L.C.

Tampa, Florida
April 21, 2021

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS
365.172(10) AND 365.173(2)(d), FLORIDA STATUTES**

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

We have examined Pasco County, Florida's (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the year ended September 30, 2020. Management is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County'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 the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County 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 the County's compliance with specified requirements.

In our opinion, the County 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 management and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, LLC

Tampa, Florida
April 21, 2021

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTION
218.415, FLORIDA STATUTES**

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

We have examined Pasco County, Florida’s (the “County”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the County’s compliance with the specified requirements. Our responsibility is to express an opinion on the County’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 the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County 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 the County’s compliance with specified requirements.

In our opinion, the County 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 management and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

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

Tampa, Florida
April 21, 2021



Office of Nikki Alvarez-Sowles, Esq. Pasco County Clerk & Comptroller

April 19, 2021

Auditor General
Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, FL 32399-1450

Re: Affidavit – Section 163.31801, Florida Statutes, Florida Impact Fee Act

In accordance with Section 163.31801, Florida Statutes, Florida Impact Fee Act (the “Act”), I hereby affirm Pasco County, Florida has complied with the Act as follows:

1. Calculation of impact fee based on most recent and localized data.
2. Provision of accounting and reporting of impact fee collections and expenditures.
3. Administrative charges for the collection of impact fees limited to actual costs.
4. Notice was provided not less than 90 days before effective date of new or amended impact fee.

Attached is correspondence received from the County’s Office of Management and Budget which states the County has complied with the Act.

For any question related to this information, please contact Manny Long, Finance Director, in my office at (352) 521-4581.

With appreciation,

Nikki Alvarez-Sowles, Esq.
Pasco County Clerk & Comptroller

NAS/ml
Attachment

State of Florida, County of Pasco
Sworn to (or affirmed) and subscribed before me this 19th day of
April, 2021, by Nikki Alvarez-Sowles. Personally Known.

Christine L. Bennett
Notary Public



VIA COURIER

April 14, 2021

The Honorable Nikki Alvarez-Sowles, Esq.
Pasco County Clerk & Comptroller
38053 Live Oak Avenue
Dade City, FL 33523

Dear Ms. Alvarez-Sowles:

Pursuant to law, the County's Chief Financial Officer is required to file an affidavit with the County's annual audit submittal to the Auditor General, stating that the County has complied with Section 163.31801, Florida Statutes, Florida Impact Fee Act. To permit you to carry out that requirement, the Office of Management & Budget certifies Pasco County has complied.

I hereby affirm Pasco County, Florida has complied with the Florida Impact Fee Act as follows:

Section 163.31801(3), Florida Statutes - Impact fees are adopted by ordinance or by resolution of a special district.

Section 163.31801(3)(a), Florida Statutes - Impact fee calculations are based on the most recent and localized data.

Section 163.31801(3)(b), Florida Statutes - Provides for accounting and reporting of impact fee collections and expenditures. Revenues and expenditures are accounted for in a separate accounting fund.

Section 163.31801(3)(c), Florida Statutes - Administrative charges for the collection of impact fees are limited to actual costs.

Section 163.31801(3)(d), Florida Statutes - Notice is provided no less than 90 days before the effective date of an ordinance or resolution imposing a new or increased impact fee.

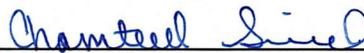
Should you have any questions concerning any of these points, please contact Dan Risola, Assistant Budget Director, at (727) 847-8980, Ext. 8449.

Sincerely,



Robert G. Goehrig
Budget Director

State of Florida, County of Pasco
The foregoing instrument was acknowledged before me this
15th day of April, 2021 by Robert G Goehrig. Personally Known


Notary Public

ec: Dan Biles, Pasco County Administrator
Erik K. Breitenbach, Assistant County Administrator (Internal Services)
Jessica Bleser, Fiscal Services Director



CHANTELL SICARD
Commission # HH 110984
Expires March 29, 2025
Bonded Thru Budget Notary Services

OFFICE OF MANAGEMENT & BUDGET

727.847.8980 | Internal Services Building | 7536 State Street, 2nd Fl | New Port Richey, FL 34654