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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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 1, 2022.

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.

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. 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, 2021-001 and 2021-002.

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 2021-001 and 2021-002.

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
June 1, 2022

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, 2021. 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.

Opinion on Each Major Federal Program and 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 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, 2021.

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 a 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. 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.

Carly Riggs & Ingram, L.L.C.

Tampa, Florida
June 1, 2022

Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL ALN	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
U.S Department Of Agriculture				
Rural Housing Preservation Grants	10.433		\$ 749,532	\$ -
U.S. Department of Housing and Urban Development				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218	Outstanding Loans	5,194,194	-
Community Development Block Grants/Entitlement Grants	14.218	B17-UC-12-009	114,003	114,003
Community Development Block Grants/Entitlement Grants	14.218	B18-UC-12-009	190,528	40,038
Community Development Block Grants/Entitlement Grants	14.218	B19-UC-12-009	584,613	124,543
Community Development Block Grants/Entitlement Grants	14.218	B-20-UC-12-0009	570,286	-
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	CDBG-CV	457,421	-
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	Outstanding Loans	171,012	-
Community Development Block Grants/Entitlement Grants	14.218	Program Income	1,677,013	860,402
Neighborhood Stabilization Program NSP 1	14.218	Outstanding Loans	4,759,733	-
Neighborhood Stabilization Program NSP 3	14.218	Outstanding Loans	1,027,364	-
Neighborhood Stabilization Program NSP 3	14.218	Program Income	32,959	-
<i>Total CDBG - Entitlement Grants Cluster</i>			14,779,126	1,138,985
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	HM006	422,185	-
Emergency Solutions Grant Program	14.231	E17UC120009	10,000	10,000
Emergency Solutions Grant Program	14.231	E18UC120009	28,764	28,764
Emergency Solutions Grant Program	14.231	E19UC120009	58,700	58,700
Emergency Solutions Grant Program	14.231	E-20-UC-12-0009	194,456	194,456
COVID-19/ Emergency Solutions Grant Program	14.231	E-20-UW-12-0009	798,360	-
Total Emergency Solutions Grant Program			1,090,280	291,920
Home Investment Partnerships Program	14.239	M15-UC-120016	17,658	-
Home Investment Partnerships Program	14.239	M16-UC-120016	52,342	-
Home Investment Partnerships Program	14.239	M18-UC-120016	125,215	-
Home Investment Partnerships Program	14.239	M20-DC120216	155,751	-
Home Investment Partnerships Program	14.239	Outstanding Loans	14,611,828	-
Total Home Investment Partnerships Program			14,962,794	-

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL ALN	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
<i>Passed through Neighborhood Lending Association</i>				
Neighborhood Stabilization Program	14.256	Outstanding Loans	7,679,634	-
Neighborhood Stabilization Program	14.256	Program Income	15,421	-
Total Neighborhood Stabilization Program			<u>7,695,055</u>	-
Total U.S. Department of Housing and Urban Development			<u>38,949,440</u>	<u>1,430,905</u>
U.S. Department of Justice				
<i>passed through of Florida, Department of legal affairs, Office of The Attorney General</i>				
Crime Victim Assistance	16.575	VOCA-2020-Pasco County Sheriff's Of-00701	120,919	-
Crime Victim Assistance/Discretionary Grants	16.582	2018-V3-GX-0005	151,077	-
Drug Court Discretionary Grant	16.585	4225/4227	102,623	-
<i>passed through Florida Department of Children and Families</i>				
Violence Against Women Formula Grants	16.588	LN090	74,428	-
Violence Against Women Formula Grants	16.588	LN187	24,263	-
Total Violence Against Women Formula Grants			<u>98,691</u>	-
State Criminal Alien Assistance Program	16.606	2015-AP-BX-0142	1,617	-
Bulletproof Vest Partnership Program	16.607	FY 2020 Award	46,401	-
Public Safety Partnership and Community Policing Grants	16.710	2020 - MH - WX - K020	16,678	-
Public Safety Partnership and Community Policing Grants	16.710	2020 - UL - WX - 0044	1,084,534	-
Total Public Safety Partnership and Community Policing Grants			<u>1,101,212</u>	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018 - DJ - BX - 0663	2,000	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018 - WY - BX - 0004	120,690	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019 - DJ - BX - 0844	15,222	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020 - DJ - BX - 0215	87,659	-

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL ALN	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
<i>passed through Florida Department of Law Enforcement</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020 - JAGC - PASC - 2 - 5R - 052	15,540	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JAGC-PASC-1-3B-038	<u>101,851</u>	-
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>342,962</u>	-
DNA Backlog Reduction Program	16.741	2017-AK-BX-0008	<u>21,136</u>	-
<i>passed through Institute for Intergovernmental Research</i>				
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	2019-ODMAP-026	<u>40,385</u>	-
<i>pass through District School Board of Pasco County</i>				
STOP School Violence	16.839	2019-YS-BX-0040	<u>66,131</u>	-
Equitable Sharing Program	16.922		<u>352,191</u>	-
Total U.S. Department Of Justice			<u>2,445,345</u>	-
U.S. Department of Transportation				
<i>Passed through Florida Department of Transportation</i>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	G1G14	9,912	-
Highway Planning and Construction	20.205	G1M01	<u>394,071</u>	-
Total Highway Planning and Construction Cluster			<u>403,983</u>	-
<i>Passed through Florida Department of Environmental Protection</i>				
Recreational Trails Program	20.219	T1911	3,235	-
<i>Passed through Florida Department of Transportation</i>				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	G1I79	106,202	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	G1V15	<u>127,660</u>	-
Total Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research			<u>233,862</u>	-

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL ALN	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
<i>Passed Through Florida Department of Transportation</i>				
Federal Transit Cluster				
Federal Transit Formula Grants	20.507	FL-2019-024	125,670	-
Federal Transit Formula Grants	20.507	FL2020-061	296,008	-
COVID-19 Federal Transit Formula Grants	20.507	FL-2020-098	4,962,704	-
Federal Transit Formula Grants	20.507	FL90X-814	3,550	-
Federal Transit Formula Grants	20.507	FL90X-871	5,873	-
Federal Transit Formula Grants	20.507	FL90X-895	5,379	-
Federal Transit Formula Grants	20.507	FL-2021-079-01	1,176,548	-
Total Federal Transit Cluster			6,575,732	-
<i>passed through Florida Department of Transportation</i>				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	G1311	48,771	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	G1595	50,921	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	G1H35	38,857	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	GOV49	90,344	-
Total Formula Grants for Rural Areas and Tribal Transit Program			228,893	-
<i>passed through Florida Department of Transportation</i>				
Highway Safety Cluster				
National Priority Safety Programs	20.616	M5HVE - 2021 - 00058	7,948	-
Total U. S. Department of Transportation			7,453,653	-
Department of the Treasury				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR190115-01-00	30,368	-
<i>passed through Florida Housing Finance Corporation</i>				
COVID-19 Coronavirus Relief Fund	21.019		1,863,417	-
COVID-19 Coronavirus Relief Fund	21.019	COVID-19	29,014,997	11,503,240
COVID-19 Emergency Rental Assistance Program	21.023	COVID-19- 'ERA-2101070411	11,225,183	6,449,333
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		6,603,566	-
Total U.S. Department of the Treasury			48,737,531	17,952,573

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL ALN	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
National Endowment for the Humanities				
<i>Passed through State of Florida, Department of State, Division of Library and Information Services</i>				
COVID-19 Grants to States	45.310	20-CARES-18	20,315	-
Grants to States	45.310	20-LSTA-B-19	50,413	-
Total Grants to States			70,728	-
Total National Endowment for the Humanities			70,728	-
United States Department of Education				
<i>Passed through Florida Department of Education</i>				
COVID-19 Education Stabilization Fund GEER - Coach Aaron Feis Guardian Program	84.425C	96R-1230J-1PG01	287,998	-
Total United States Department of Education			287,998	-
U.S. Election Assistance Commission				
<i>Passed through Florida Department of State, Division of Elections</i>				
Help America Vote Act Requirements Payments	90.401		4,145	-
Help America Vote Act Requirements Payments	90.401		5,786	-
Total Help America Vote Act Requirements Payments			9,931	-
<i>Passed through Florida Department of State, Division of Elections</i>				
COVID-19 - 2018 HAVA Election Security Grants	90.404		257,530	-
2018 HAVA Election Security Grants	90.404		75,000	-
Total HAVA Election Security Grants			332,530	-
Total U.S. Election Assistance Commission			342,461	-
U.S Department of Health and Human Services				
<i>Aging Cluster</i>				
<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	283,389	-
COVID-19 Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	ECA20-PASCO- TRANSPORTATION	8,993	-
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	OAA-EA020-PASCO IIIB	2,728	-
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	OAA-EA020-PASCO IIIB	56,664	-
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	OAA-EA019-PASCO IIIB	10,888	-
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	OAA-EA021-PASCO IIIB	166,500	-
Total Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers			529,162	-

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL ALN	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
<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	76,634	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Program Income	1,126	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	EA021	720,577	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Program Income	4,087	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	ECV21	<u>309,410</u>	-
Total Special Programs for the Aging Title III, Part C Nutrition Services			<u>1,111,834</u>	-
Nutrition Services Incentive Program	93.053	EA021	119,189	-
Total Aging Cluster			<u>1,760,185</u>	-
<i>Passed through the National Center for Injury Prevention and Control</i>				
Injury Prevention and Control Research and State and Community Based	93.136	PC202	92,800	-
Injury Prevention and Control Research and State and Community Based	93.136	PC902	<u>22,331</u>	-
Total Injury Prevention and Control Research and State and Community Based Programs			<u>115,131</u>	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	4111	382,127	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	4330	<u>427,167</u>	-
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			<u>809,294</u>	-
<i>Passed through Florida Department of Children and Families</i>				
Temporary Assistance for Needy Families	93.558	QJZA3	430,475	-
Temporary Assistance for Needy Families	93.558	QJZA3	9,600	-
Temporary Assistance for Needy Families	93.558	QJZA3	2,940,773	-
Temporary Assistance for Needy Families	93.558	QJZA3	<u>1,154,454</u>	-
Total Temporary Assistance for Needy Families			<u>4,535,302</u>	-
<i>Passed through Florida Department of Revenue</i>				
Child Support Enforcement	93.563	COC51	<u>254,107</u>	-

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL ALN	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
<i>Passed through Florida Department of Elder Affairs</i>				
Low-Income Home Energy Assistance	93.568	EP019	27,238	-
Low-Income Home Energy Assistance	93.568	EP021	51,348	-
Low-Income Home Energy Assistance	93.568	EPC20	76,231	-
Total Low-Income Home Energy Assistance			154,817	-
<i>Passed through Florida Department of Children and Families</i>				
Foster Care Title IV-E	93.658	QJZA3	2,526	-
Foster Care Title IV-E	93.658	QJZA3	58,701	-
Total Foster Care Title IV-E			61,227	-
<i>Passed through Florida Department of Children and Families</i>				
Social Services Block Grant	93.667	QJZA3	797,484	
Social Services Block Grant	93.667	QJZA3	293,505	-
Total Social Services Block Grant			1,090,989	-
Medicaid Cluster				
<i>Passed through Florida Department of Children and Families</i>				
Medical Assistance Program	93.778	QJZA3	505	-
Medical Assistance Program	93.778	QJZA3	19,567	-
Total Medicaid Cluster			20,072	-
Total U.S. Department of Health and Human Services			8,801,124	-
Executive Office of the President				
<i>Passed through Office of National Drug Control Policy</i>				
High Intensity Drug Trafficking Areas Program	95.001	G19CF0014A	96,096	-
High Intensity Drug Trafficking Areas Program	95.001	G20CF0014A	79,991	-
Total High Intensity Drug Trafficking Areas Program			176,087	-
Total Executive Office of the President			176,087	-

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL ALN	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
U.S. Department of Homeland Security				
<i>Passed through Florida Division of Emergency Management</i>				
Flood Mitigation Assistance	97.029	B0001	3,593	-
Flood Mitigation Assistance	97.029	B0017	209,260	-
Flood Mitigation Assistance	97.029	B0056	153,850	-
Flood Mitigation Assistance	97.029	B0101	<u>3,750</u>	-
Total Flood Mitigation Assistance			<u>370,453</u>	-
<i>Passed through Florida Division of Emergency Management</i>				
Hazard Mitigation Grant	97.039	H0041	203,429	-
Hazard Mitigation Grant	97.039	H0133	<u>97,110</u>	-
Total Hazard Mitigation Grant			<u>300,539</u>	-
<i>Passed through Florida Division of Emergency Management</i>				
COVID-19 Emergency Management Performance Grants	97.042	G0090	27,935	-
Emergency Management Performance Grants	97.042	G0119	<u>135,776</u>	-
Total Emergency Management Performance Grants			<u>163,711</u>	-
<i>Passed through Florida Division of Emergency Management</i>				
Homeland Security Grant Program	97.067	R0319	9,000	-
Homeland Security Grant Program	97.067	R0072	220,328	-
Homeland Security Grant Program	97.067	R0359	<u>36,700</u>	-
Total Homeland Security Grant Program			<u>266,028</u>	-
Total U.S. Department of Homeland Security			<u>1,100,731</u>	-
Total Expenditures of Federal Awards			<u>\$ 109,216,521</u>	<u>\$ 19,383,479</u>

Pasco County, Florida
Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2021

<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	A0153	\$ 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	40.040	172926326	3,724
Economic Development Partnerships	40.040	180883057	2,500
Economic Development Partnerships	40.040	180888281	1,656
Economic Development Partnerships	40.040	190185767	2,500
Economic Development Partnerships	40.040	190188515	3,500
Economic Development Partnerships	40.040	190191658	3,000
Economic Development Partnerships	40.040	190192356	17,343
Economic Development Partnerships	40.040	193726769	3,500
Economic Development Partnerships	40.040	203947414	325
Economic Development Partnerships	40.040	203959677	<u>2,500</u>
Total Economic Development Partnership Program			<u>40,548</u>
Economic Development Tax Refund, Tax Credit, and Grant Program	40.043	G0048	2,310,366
Economic Development Tax Refund, Tax Credit, and Grant Program	40.043	G0051	<u>11,194</u>
Total Economic Development Tax Refund, Tax Credit, and Grant Program			<u>2,321,560</u>
Total Florida Department of Economic Opportunity			<u>2,362,108</u>
Florida Housing Finance Corporation			
State Housing Initiatives Partnership Program	40.901	M01-UC-18-0217	450,000
State Housing Initiatives Partnership Program	40.901	M01-UC-19-0218	1,651,122
State Housing Initiatives Partnership Program	40.901	M01-UC-20-0219	94,940
State Housing Initiatives Partnership Program	40.901		<u>1,712,415</u>
Total Florida Housing Finance Corporation			<u>3,908,477</u>
Florida Department of State and Secretary of State			
State Aid to Libraries	45.030	20-ST-68	<u>117,250</u>
Total Florida Department of State and Secretary of State			<u>117,250</u>
Florida Department of Education and Commissioner of Education			
Coach Aaron Feis Guardian Program	48.140	96R-90210-2D001	<u>101,891</u>
Total Florida Department of Education and Commissioner of Education			<u>101,891</u>

Continued

Pasco County, Florida
Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2021

<u>STATE AGENCY, STATE PROGRAM</u>	<u>CSFA NUMBER</u>	<u>CONTRACT NUMBER</u>	<u>EXPENDITURES</u>
Florida Department of Elder Affairs			
Loan Services Program	65.009	EL020	121,238
Loan Services Program	65.009	OAA-EL020-PASCO IIIB	<u>48,406</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>581,105</u>
Total Florida Department of Law Enforcement			<u>581,105</u>
Florida Department of Management Services			
Prepaid Next Generation 911 (NG911) State Grant	72.003	N/A	505,817
Prepaid Next Generation 911 (NG911) State Grant	72.003	N/A	144,398
Prepaid Next Generation 911 (NG911) State Grant	72.003	N/A	324,434
Prepaid Next Generation 911 (NG911) State Grant	72.003	N/A	<u>18,100</u>
Total Florida Department of Management Services			<u>992,749</u>
Florida Department of Highway Safety and Motor Vehicles			
<i>passed through Florida Animal Friend</i> Animal Friend License Plate	76.076		<u>25,000</u>
Wildlife Foundation of Florida License Plates	76.135	WFF 21-20	<u>4,569</u>
Total Florida Department of Highway Safety and Motor Vehicles			<u>29,569</u>
Florida Department of Juvenile Justice			
Juvenile Assessment Centers	80.020	10368	248,737
Juvenile Assessment Centers	80.020	10722	22,997
Total Juvenile Assessment Centers			<u>271,734</u>
Diversion Services	80.022	10350	<u>218,400</u>
Total Florida Department of Juvenile Justice			<u>490,134</u>
Total Expenditures of State Financial Assistance			<u><u>\$ 11,704,071</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, 2021.

NOTE 3: LOANS OUTSTANDING

The County had the following loan balances outstanding at September 30, 2021. 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.

<u>ALN/CSFA#</u>	<u>Program</u>	<u>Amount</u>
14.218	Community Development Block Grant	\$ 10,981,197
14.239	Home Investment Partnerships Program	\$ 14,611,827
14.256	Neighborhood Stabilization Program NSP 2	\$ 7,679,634
40.901	State Housing Initiative Partnership (SHIP) Program	\$ 21,280,926

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, 2021, 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 | ALN |
| COVID-19 Coronavirus Relief Fund | 21.019 |
| COVID-19 Emergency Rental Assistance | 21.023 |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 |
| Federal Transit Formula Grants, Federal Transit Cluster | 20.507 / 20.526 |
| Neighborhood Stabilization Program | 14.256 |
| 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: | 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 Rule 10.554(1)(I)(4)? | No |
| 4. Identification of major projects: | |
| State Projects | CSFA |
| State Housing Initiative Partnership | 40.901 |
| Economic Development Tax Refund, Tax Credit, and Grant Program | 40.043 |
| Florida Highway Beautification Grant Program | 55.003 |
| Prepaid Next Generation 911 (NG911) State Grant Program | 72.003 |
| 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: 2021-001: Financial Reporting (originally reported as 2020-001):

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 aggregate remaining fund information, revenue was recorded for the American Rescue Plan Act (ARPA) funding when the funds were received and not when all eligibility requirements had been met. Therefore, grant payments that have been received in advance of meeting eligibility requirements should be reported as unavailable revenue.

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 \$6,125,000 and \$2,160,000 adjustments to opening fund balance in the aggregate remaining funds and opening net position in the governmental activities
- Approximately \$47,195,000 adjustments to revenue in the aggregate remaining funds

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. The County should continue to review accounting policies and processes to limit the opportunity to record revenue in the incorrect period. In addition, the County should continue to review grant agreements for eligibility requirements that drive the timing of revenue recognition.

Response: See attached Corrective Action Plan.

Pasco County, Florida
Schedule of Findings and Questioned Costs

Material Weakness

Finding Number: 2021-002 (originally reported as 2018-001, 2019-001, 2020-004): 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 understated on the schedule of expenditures of federal awards by approximately \$12,100,000 related to the following programs: ALN 93.558, 93.677, 21.019, and 21.027. Additionally, three assistance listing numbers were 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 assistance listing 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: See attached Corrective Action Plan.

Part III – Findings and Questioned Costs – Federal Awards

None

Part IV – Findings and Questioned Costs – State Awards

None

Part V – Summary of Prior Year Audit Findings

Material Weakness

Finding Number: 2020-001: Financial Reporting

Condition: Pasco County has experienced difficulty in accurately recording revenue in the correct fiscal year in accordance with generally accepted accounting principles. 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 of approximately \$3,900,000 in the aggregate remaining funds and governmental activities as well as approximately \$6,100,000 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.

Pasco County, Florida Schedule of Findings and Questioned Costs

Current Status: Similar findings were identified in the current audit. This will be reported as a finding for 9/30/2021 as 2021-001.

Significant Deficiency

Finding Number: 2020-004 (originally reported as 2018-001 and 2019-001)

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

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 multiple programs on the SEFA incorrectly reported as well as one assistance listing number incorrectly reported. This will be reported as a finding for 9/30/2021 as 2021-002.

Material Weakness

Finding Number: 2020-002

CSFA # 40.901 State Housing Initiatives Partnership Program (SHIP)

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.

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.

Current Status: The finding has been fully corrected.

Material Weakness

Finding Number: 2020-003

CSFA # 40.901 State Housing Initiatives Partnership Program (SHIP)

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.

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.

Current Status: The finding has been fully corrected.



Material Weakness

Finding Number: 2021-001: Financial Reporting (originally reported as 2020-001):

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 aggregate remaining fund information, revenue was recorded for the American Rescue Plan Act (ARPA) funding when the funds were received and not when all eligibility requirements had been met. Therefore, grant payments that have been received in advance of meeting eligibility requirements should be reported as unavailable revenue.

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 \$6,125,000 and \$2,160,000 adjustments to opening fund balance in the aggregate remaining funds and opening net position in the governmental activities
- Approximately \$47,195,000 adjustments to revenue in the aggregate remaining funds

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. The County should continue to review accounting policies and processes to limit the opportunity to record revenue in the incorrect period. In addition, the County should continue to review grant agreements for eligibility requirements that drive the timing of revenue recognition.

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 beginning of FY21, DSA formed a committee, across several Branches, to coordinate a process improvement plan for Developer Credits to improve with our internal controls over contract compliance (Developer Agreements). Fiscal proceeded with FY21 analytics of mobility fees to complete correcting transactions applicable based on our inquiries and coordination's with Public Infrastructure and the Clerk's office.

To prevent the opportunity of future misreporting, DSA, along with the Office of Performance Management, Accela Software Team, OMB, GIS, and Planning/Development have worked to complete a process map of all the major events with the intention of creating a multi-Division/Department SOP.

This will include a “Developer Credit Transmittal Summary” of each Developer Agreement to optimize the control process proactively. In addition, DSA is actively coordinating with the Accela team to create a future developer credit automation to scale with our growth and future agreements. To further support this process DSA Fiscal will continue to review all known developer agreements, reconcile against creditable fees, and make quarterly adjustments as necessary.

Contact: Amy Bland, Assistant Fiscal Director, Development Services Administration

Anticipated Completion Date: September 30, 2022, automation completion may be subsequent years

Response and Corrective Action Plan: The County will include a review of all grant agreements eligibility requirements that drive the timing of revenue recognition as part of the SEFA preparation going forward. This will be handled by the newly established Audit Review Team (ART). This team will be composed of members from OMB, fiscal teams, and department representatives familiar with the grants.

Contact: Jessica Bleser, Fiscal Services Director, Internal Services Branch

Anticipated Completion Date: September 30, 2022

Material Weakness

Finding Number: 2021-002 (originally reported as 2018-001, 2019-001, 2020-004): 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 understated on the schedule of expenditures of federal awards by approximately 12,100,000 related to the following programs: ALN 93.558, 93.677, 21.019, and 21.027. Additionally, three assistance listing numbers were 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 assistance listing 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 financial reporting close process to more accurately complete and review the schedule of expenditures of federal awards and state financial assistance using a newly established Audit Review Team (ART). This team will be composed of members from OMB, fiscal teams, and department representatives familiar with the grants. This team will be responsible for reviewing and verifying the grant agreements, CFDA/ALN/CFSA numbers associated with county awards, subrecipient information and amounts, pass through information, match amounts, and current year expenditures.

Contact: Jessica Bleser, Fiscal Services Director, Internal Services Branch

Anticipated Completion Date: September 30, 2022

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, 2021, and have issued our report thereon dated June 1, 2022.

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 June 1, 2022, 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. Prior year finding 2020-001, a material weakness over financial reporting, was determined uncorrected and is included as a material weakness in the current year as finding 2021-001. Prior year finding 2020-004, a significant deficiency over the preparation of the schedule of federal awards and state financial assistance, was determined uncorrected. Similar findings were noted in the current year and are reported as a material weakness in the current year as finding 2021-002. Other findings noted in the preceding annual report have been addressed and fully cleared by management.

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.b. 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 accounts receivable allowance due to a mathematical error and a passed adjustment to notes receivable due to grant funding reconciliation process. We recommend that management continue to improve the fiscal year-end closing process. 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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Pasco County Housing Finance Authority and J. Ben Harrill Villages of Pasadena Hills Stewardship District reported:

	Pasco County Housing Finance Authority	J. Ben Harrill Villages of Pasadena Hills Stewardship District
a. The total number of district employees compensated in the last pay period of the district’s fiscal year:	0	0
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district’s fiscal year:	0	0
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency:	\$20,279 was allocated from County employees. There was no compensation paid to the District.	\$0
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency:	\$0	\$0
e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project:	None	None
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes:	There was no change from original to final budget.	The District did not adopt a budget.

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
June 1, 2022

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, 2021, and have issued our report thereon dated June 1, 2022.

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 June 1, 2022, 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. Prior year finding 2020-001, a material weakness over financial reporting, was determined uncorrected and is included as a material weakness in the current year as finding 2021-001. Prior year finding 2020-004, a significant deficiency over the preparation of the schedule of federal awards and state financial assistance, was determined uncorrected. Similar findings were noted in the current year and are reported as a material weakness in the current year as finding 2021-002. Other findings noted in the preceding annual report have been addressed and fully cleared by management.

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.b. 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 accounts receivable allowance due to a mathematical error and a passed adjustment to notes receivable due to grant funding reconciliation process. We recommend that management continue to improve the fiscal year-end closing process. 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
June 1, 2022

**INDEPENDENT ACCOUNTANTS' 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, 2021. 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, 2021.

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
June 1, 2022

**INDEPENDENT ACCOUNTANTS' 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, 2021. 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, 2021.

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
June 1, 2022



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

May 31, 2022

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.

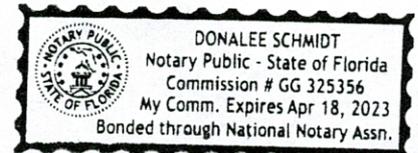
With appreciation,

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 31st day
of May, 2022, by Nikki Alvarez-Sowles. Personally Known.

Donalee Schmidt
Notary Public



VIA COURIER

May 26th, 2022

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.

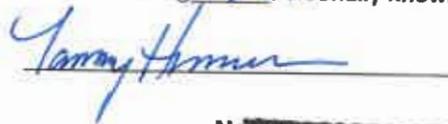
Sincerely,



Robert Goehrig
Budget Director

State of Florida County of Pasco

The foregoing instrument was acknowledged before me this 26 day May, 2022 by Robert Goehrig, Personally Known



CC: Dan Biles, County Administrator
Erik K. Breitenbach, Internal Services County Administrator
Jessica Bleser, Fiscal Services Director



OFFICE OF MANGEMENT & BUDGET