

**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, 2022, 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 30, 2023. Our report includes a reference to other auditors who have audited the financial statements of the aggregate discretely presented component units as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on 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, 2022-001 and 2022-002.

Report on 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-002.

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.

Carr, Rigg & Ingram, L.L.C.

Tampa, Florida
June 30, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND EACH MAJOR 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

Qualified and Unmodified Opinions

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 *State of 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, 2022. 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.

Qualified Opinion on CSFA 40.901 State Housing Initiative Partnership

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Pasco County, Florida complied, in all material respects, with the 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, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs and Major 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, 2022.

Basis for Qualified and Unmodified Opinions

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 Chapter 10.550, Rules of the Auditor General, *Florida Single Audit Act Audits – Local Governmental Entity Audits*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of County's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on CSFA 40.901 State Housing Initiative Partnership

As described in the accompanying schedule of findings and questioned costs, Pasco County, Florida did not comply with requirements regarding CSFA 40.901 State Housing Initiative Partnership as described in finding number 2022-003 for Period of Availability.

Compliance with such requirements is necessary, in our opinion, for Pasco County, Florida to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to County's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on Pasco County, Florida's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Pasco County, Florida's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not 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 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 will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-003 to be a material weakness.

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 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Pasco County, Florida's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Pasco County, Florida's response was not subjected to the other 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, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Carr, Rigg & Ingram, L.L.C.

Tampa, Florida
June 30, 2023

Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

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	N/A	\$ 701,348	\$ -
U.S. Department of Housing and Urban Development				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218	Outstanding Loans	4,231,371	-
Community Development Block Grants/Entitlement Grants	14.218	B17-UC-12-009	6,933	6,933
Community Development Block Grants/Entitlement Grants	14.218	B19-UC-12-009	54,412	54,412
Community Development Block Grants/Entitlement Grants	14.218	B-21-UC-12-0009	1,193,251	-
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	B-20-UW-0009	1,184,106	1,076,860
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	Outstanding Loans	65,875	-
Community Development Block Grants/Entitlement Grants	14.218	Program Income	1,297,055	615,511
Neighborhood Stabilization Program NSP 1	14.218	Outstanding Loans	5,464,647	-
Neighborhood Stabilization Program NSP 3	14.218	Outstanding Loans	926,801	-
Neighborhood Stabilization Program NSP 3	14.218	Program Income	35,715	-
<i>Total CDBG - Entitlement Grants Cluster</i>			14,460,166	1,753,716
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	HM006, MT027	503,211	-
Emergency Solutions Grant Program	14.231	E-20-UC-12-0009	45,000	45,000
Emergency Solutions Grant Program	14.231	E-21-UC-12-0009	235,293	235,293
COVID-19/ Emergency Solutions Grant Program	14.231	E-20-UW-12-0009	2,293,254	2,090,656
Total Emergency Solutions Grant Program			2,573,547	2,370,949
Home Investment Partnerships Program	14.239	M18-UC-120016	95,599	95,599
Home Investment Partnerships Program	14.239	M21-DC120216	118,548	21,013
Home Investment Partnerships Program	14.239	M21-DP120216	45,468	-
Home Investment Partnerships Program	14.239	Program Income	529,783	504,633
Home Investment Partnerships Program	14.239	Outstanding Loans	14,206,293	-
Total Home Investment Partnerships Program			14,995,691	621,245
<i>Passed through Neighborhood Lending Association</i>				
Neighborhood Stabilization Program	14.256	Outstanding Loans	8,156,469	-
Neighborhood Stabilization Program	14.256	Program Income	40,383	-
Total Neighborhood Stabilization Program			8,196,852	-
Total U.S. Department of Housing and Urban Development			40,729,467	4,745,910
U.S. Department of Justice				
Treatment Court Discretionary Grant Program	16.585	2020-DC-BX-0142	141,150	-
<i>Passed through University of South Florida Board of Trustees</i>				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	1255-1164-00-B	2,133	-
<i>Passed through of Florida, Department of legal affairs, Office of The Attorney General</i>				
Crime Victim Assistance	16.575	VOCA-2021-Pasco County Sheriff's Of-00697	122,573	-
Crime Victim Assistance/Discretionary Grants	16.582	2018-V3-GX-0005	94,795	-
<i>Passed through Florida Department of Children and Families</i>				
Violence Against Women Formula Grants	16.588	LN187	107,781	-

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

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>				
Brasstrax Purchase	16.609	2021-PSNM-PASC-1-2E-002	196,960	-
Public Safety Partnership and Community Policing Grants	16.710	2020-MH-WX-K020	91,285	-
Public Safety Partnership and Community Policing Grants	16.710	2020-UL-WX-0044	1,310,952	-
Total Public Safety Partnership and Community Policing Grants			1,402,237	-
<i>Passed through Florida Department of Law Enforcement</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019 - DJ - BX - 0844	3,010	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020 - DJ - BX - 0215	8,895	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	NA	88,593	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-PASC-2-5R-052	6,152	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JAGC-PASC-1-3B-038	7,411	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01327-JAGX	103,079	-
Total Edward Byrne Memorial Justice Assistance Grant Program			217,140	-
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	15PBJA-21-GG-04328-MENT	4,021	-
<i>Passed through Seminole County Sheriff's Office</i>				
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	2019-ODMAP-026	35,340	-
<i>Passed through District School Board of Pasco County</i>				
STOP School Violence	16.839	2019-YS-BX-0040	66,769	-
Equitable Sharing Program	16.922	N/A	427,772	-
Total U.S. Department Of Justice			2,818,671	-
U.S. Department of Transportation				
<i>Passed through Florida Department of Transportation</i>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	G1M01	406,698	-
Highway Planning and Construction	20.205	G2776	165,722	-
Highway Planning and Construction	20.205	G0W33	1,517,446	-
Total Highway Planning and Construction Cluster			2,089,866	-
<i>Passed through Florida Department of Environmental Protection</i>				
Recreational Trails Program	20.219	T1911	24,400	-
<i>Passed through Florida Department of Transportation</i>				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	G1I79	82,520	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	G1V15	32,378	-
Total Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			114,898	-

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL ALN	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
Federal Transit Cluster				
Federal Transit Formula Grants	20.507	FL-2019-024	133,538	-
Federal Transit Formula Grants	20.507	FL2020-061	376,539	-
COVID-19 Federal Transit Formula Grants	20.507	FL-2020-098	1,622,041	-
Federal Transit Formula Grants	20.507	FL90X-814	47,578	-
Federal Transit Formula Grants	20.507	FL90X-871	69,429	-
Federal Transit Formula Grants	20.507	FL90X-895	1,971	-
Federal Transit Formula Grants	20.507	FL90X-847	94,557	-
Federal Transit Formula Grants	20.507	FL-2021-087-00	1,085,994	-
Federal Transit Formula Grants	20.507	FL-2021-079-01	350,988	-
Total Federal Transit Formula Grants			<u>3,782,635</u>	-
Bus and Bus Facilities Formula & Discretionary Programs	20.526	FL2018-089	258,884	-
Total Federal Transit Cluster			<u>4,041,519</u>	-
<i>Passed through Florida Department of Transportation</i>				
Formula Grants for Rural Areas	20.509	G1311	39,427	-
Formula Grants for Rural Areas	20.509	G2548	55,404	-
Formula Grants for Rural Areas	20.509	G1H36	100,000	-
Formula Grants for Rural Areas	20.509	G1M37	281,344	-
Formula Grants for Rural Areas	20.509	G1H36	59,842	-
Formula Grants for Rural Areas	20.509	G1H35	337,798	-
Total Formula Grants for Rural Areas			<u>873,815</u>	-
Total U. S. Department of Transportation			<u>7,144,498</u>	-
U.S. Department of the Treasury				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR190115-01-00	91,699	-
COVID-19 Coronavirus Relief Fund	21.019	COVID-19	2,505,189	-
COVID-19 Emergency Rental Assistance Program	21.023	ERA-2101070411	5,498,871	1,606,990
COVID-19 Emergency Rental Assistance Program	21.023	ERA2-0317	4,363,357	4,321,750
Total COVID-19 Emergency Rental Assistance Program			<u>9,862,228</u>	<u>5,928,740</u>
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	23,997,184	-
Total U.S. Department of the Treasury			<u>36,456,300</u>	<u>5,928,740</u>
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	21-ARPA-18	16,255	-
Total National Endowment for the Humanities			<u>16,255</u>	-
United States Department of Education				
<i>Passed through Florida Department of Education</i>				
COVID-19 Education Stabilization Fund GEER	84.425C	96R-90210-2D001	390,401	-
Total United States Department of Education			<u>390,401</u>	-

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL ALN	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
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	30,608	-
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	OAA-EA024-PASCO IIIB	107,525	-
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	OAA-EA022-PASCO IIIB	167,948	-
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	OAA-EA021-PASCO IIIB	1,850	-
Total Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers			<u>307,931</u>	-
<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	EA021	415,419	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Program Income	4,145	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	EA022	805,119	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Program Income	4,900	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	ERP21	189,041	-
Total Special Programs for the Aging Title III, Part C Nutrition Services			<u>1,418,624</u>	-
Nutrition Services Incentive Program	93.053	EA021	330	-
Nutrition Services Incentive Program	93.053	EA022	106,435	-
Total Nutrition Services Incentive Program			<u>106,765</u>	-
Total Aging Cluster			<u>1,833,320</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	OD2A	92,253	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	4111	345,893	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	4330	108,043	-
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			<u>453,936</u>	-
<i>Passed through the Florida Department of Health</i>				
Public Health Emergency Response	93.354	C051AE	72,390	-
<i>Passed through Florida Department of Children and Families</i>				
Temporary Assistance for Needy Families	93.558	QJZA3	475,249	-
Temporary Assistance for Needy Families	93.558	QJZA3	1,177,791	-
Temporary Assistance for Needy Families	93.558	QJZA3	2,780,076	-
Temporary Assistance for Needy Families	93.558	QJZA3	1,073,012	-
Total Temporary Assistance for Needy Families			<u>5,506,128</u>	-
Child Support Enforcement	93.563	COC51	510,213	-

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

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	EPP021	103,593	-
Low-Income Home Energy Assistance	93.568	EPO21	<u>271,706</u>	<u>-</u>
Total Low-Income Home Energy Assistance			<u>375,299</u>	<u>-</u>
<i>Passed through Florida Department of Children and Families</i>				
Foster Care Title IV-E	93.658	QJZA3	103,315	-
Foster Care Title IV-E	93.658	QJZA3	<u>243,866</u>	<u>-</u>
Total Foster Care Title IV-E			<u>347,181</u>	<u>-</u>
<i>Passed through Florida Department of Children and Families</i>				
Social Services Block Grant	93.667	QJZA3	309,945	-
Social Services Block Grant	93.667	QJZA3	<u>731,599</u>	<u>-</u>
Total Social Services Block Grant			<u>1,041,544</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>10,232,264</u>	<u>-</u>
Executive Office of the President				
<i>Passed through Office of National Drug Control Policy</i>				
High Intensity Drug Trafficking Areas Program	95.001	G21CF0014A	43,571	-
High Intensity Drug Trafficking Areas Program	95.001	G22CF0014A	<u>44,297</u>	<u>-</u>
Total High Intensity Drug Trafficking Areas Program			<u>87,868</u>	<u>-</u>
Total Executive Office of the President			<u>87,868</u>	<u>-</u>
U.S. Department of Homeland Security				
<i>Passed through Florida Division of Emergency Management</i>				
Flood Mitigation Assistance	97.029	B0017	<u>2,203</u>	<u>-</u>
<i>Passed through Florida Division of Emergency Management</i>				
Hazard Mitigation Grant	97.039	H0470	<u>103,580</u>	<u>-</u>
<i>Passed through Florida Division of Emergency Management</i>				
Emergency Management Performance Grants	97.042	G0288	141,261	-
Emergency Management Performance Grants	97.042	G0296	13,926	-
Emergency Management Performance Grants	97.042	CERT 22-012	<u>5,000</u>	<u>-</u>
Total Emergency Management Performance Grants			<u>160,187</u>	<u>-</u>
Assistance to Firefighters Grant Program	97.044	EMW-2020-FG-02098	<u>701,736</u>	<u>-</u>
<i>Passed through Florida Division of Emergency Management</i>				
Homeland Security Grant Program	97.067	R0319	18,375	-
Homeland Security Grant Program	97.067	R0359	390,127	-
Homeland Security Grant Program	97.067	R0461	<u>35,005</u>	<u>-</u>
Total Homeland Security Grant Program			<u>443,507</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>1,411,213</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 99,988,285</u>	<u>\$ 10,674,650</u>

Pasco County, Florida
Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2022

STATE AGENCY, STATE PROGRAM	CSFA NUMBER	CONTRACT NUMBER	EXPENDITURES
Executive Office of the Governor			
Emergency Management Programs	31.063	A0177	\$ 105,796
Emergency Management Projects	31.067	T0161	567
Emergency Management Projects	31.067	T0083	5,305
Total Emergency Management Projects			5,872
Total Executive Office of the Governor			111,668
Florida Department of Environmental Protection			
Florida Recreation Development Assistance Program	37.017	A1005	99,274
Florida Recreation Development Assistance Program	37.017	A1013	41,791
Total Florida Recreation Development Assistance Program			141,065
Statewide Water Quality Restoration Projects	37.039	LPA0207	1,586,015
Total Florida Department of Environmental Protection			1,727,080
Florida Department of Economic Opportunity			
<i>Passed through Florida Sports Foundation</i>			
Economic Development Partnerships	40.040	214321252	8,761
Economic Development Partnerships	40.040	223556267	2,500
Economic Development Partnerships	40.040	223545464	3,209
Economic Development Partnerships	40.040	223582313	7,500
Economic Development Partnerships	40.040	214319413	656
Economic Development Partnerships	40.040	250226335	20,214
Economic Development Partnerships	40.040	214316094	4,575
Total Economic Development Partnership Program			47,415
Economic Development Tax Refund, Tax Credit, and Grant Program	40.043	G0048	778,214
Economic Development Tax Refund, Tax Credit, and Grant Program	40.043	G0051	144,910
Total Economic Development Tax Refund, Tax Credit, and Grant Program			923,124
Total Florida Department of Economic Opportunity			970,539
Florida Housing Finance Corporation			
State Housing Initiatives Partnership Program	40.901	M01-UC-20-0216	685,841
State Housing Initiatives Partnership Program	40.901	M01-UC-22-0216	264,510
State Housing Initiatives Partnership Program	40.901	Loans	2,772,878
State Housing Initiatives Partnership Program	40.901	Program Income	1,306,783
Total State Housing Initiatives Partnership Program			5,030,012
Total Florida Housing Finance Corporation			5,030,012
Florida Department of Financial Services			
Fire Decontamination Equipment Grant Project	43.013	DFS-A2-CL	10,600
Total Florida Department of Financial Services			10,600

Continued

Pasco County, Florida
Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2022

STATE AGENCY, STATE PROGRAM	CSFA NUMBER	CONTRACT NUMBER	EXPENDITURES
Florida Department of State and Secretary of State			
State Aid to Libraries	45.030	22-ST-69	144,793
Total Florida Department of State and Secretary of State			144,793
Florida Department of Transportation			
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant	55.001	G2A36	86,251
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant	55.001	G1Y09	447,623
Total Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program			533,874
Florida Commission for the Transportation Disadvantaged (CTD) Planning Grant	55.002	G1N79	4,169
Florida Commission for the Transportation Disadvantaged (CTD) Planning Grant	55.002	G1Y63	21,250
Total Florida Commission for the Transportation Disadvantaged (CTD) Planning Grant			25,419
Florida Highway Beautification Grant Program	55.003	G0T73	809,079
County Incentive Grant Program	55.008	G1S48	464,443
County Incentive Grant Program	55.008	G0144	15,471
County Incentive Grant Program	55.008	G0N01	654,749
County Incentive Grant Program	55.008	G1J31	244,959
County Incentive Grant Program	55.008	G1K76	73,152
County Incentive Grant Program	55.008	G1K78	51,827
Total County Incentive Grant Program			1,504,601
Public Transit Block Grant	55.010	G1H24	1,175,867
Public Transit Service Development Program	55.012	G1T95	54,052
Transit Corridor Development Program	55.013	G1H28	295,789
Transit Corridor Development Program	55.013	G1H33	203,251
Transit Corridor Development Program	55.013	G1T77	285,915
Transit Corridor Development Program	55.013	G1T87	91,637
Total Transit Corridor Development Program			876,592
Local Transportation Projects	55.039	G1U20	65,529
Total Florida Department of Transportation			5,045,013
Florida Department of Children and Families			
Family Finders Program	60.206	QJZA3	48,773
Total Florida Department of Children and Families			48,773
Florida Department of Health			
County Grant Awards	64.005	C0051	28,798
County Grant Awards	64.005	C9051	34,569
Total County Grant Awards			63,367
Total Florida Department of Health			63,367

Continued

Pasco County, Florida
Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2022

<u>STATE AGENCY, STATE PROGRAM</u>	<u>CSFA NUMBER</u>	<u>CONTRACT NUMBER</u>	<u>EXPENDITURES</u>
Florida Department of Elder Affairs			
Local Services Programs	64.005	EL021	121,238
Local Services Programs	64.005	OAA-EL020-PASCO IIIB	48,406
Local Services Programs	64.005	OAA-EL021-PASCO IIIB	48,406
Total Local Services Programs			<u>218,050</u>
Total Florida Department of Elder Affairs			<u>218,050</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	1,069,275
Florida Incident Based Reporting System	71.043	2021-FBSFA-F2-009	26,116
Center for Recovery of Endangered and Missing Persons	71.057	7G009	9,400
Total Florida Department of Law Enforcement			<u>1,104,791</u>
Florida Department of Management Services			
Prepaid Next Generation 911 (NG911) State Grant	72.003	N/A	92,590
Prepaid Next Generation 911 (NG911) State Grant	72.003	N/A	183,778
Prepaid Next Generation 911 (NG911) State Grant	72.003	N/A	229,151
Prepaid Next Generation 911 (NG911) State Grant	72.003	N/A	9,000
Total Prepaid Next Generation 911 (NG911) State Grant			<u>514,519</u>
Total Florida Department of Management Services			<u>514,519</u>
Florida Department of Juvenile Justice			
Juvenile Assessment Centers	80.020	10722	279,798
Diversion Services	80.022	10350	81,144
Diversion Services	80.022	10736	211,748
Total Diversion Services			<u>292,892</u>
Total Florida Department of Juvenile Justice			<u>572,690</u>
Total Expenditures of State Financial Assistance			<u>\$ 15,561,895</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, 2022.

NOTE 3: LOANS OUTSTANDING

The County had the following loan balances outstanding at September 30, 2022. 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	\$ 10,688,694
14.239	Home Investment Partnerships Program	\$ 14,206,293
14.256	Neighborhood Stabilization Program NSP 2	\$ 8,156,469
40.901	State Housing Initiative Partnership (SHIP) Program	\$ 22,587,804

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, 2022, 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? | No |
| 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 State and Local Fiscal Recovery Funds | 21.027 |
| COVID-19 Emergency Rental Assistance | 21.023 |
| Community Development Block Grants / Entitlement Cluster | 14.218 |
| Federal Transit Formula Grants, Federal Transit Cluster | 20.507 / 20.526 |
| Home Investment Partnerships Program | 14.239 |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$2,999,648 |
| 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 |
| | All other major state projects – 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 |
| Statewide Water Quality Restoration Projects | 37.039 |
| Public Transit Block Grants | 55.010 |
| Thomas Varnadoe Forensics Center for Education and Research | 71.035 |
| Transit Corridor Development | 55.013 |
| County Incentive Grant Program | 55.008 |
| 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: 2022-001: Year-End Financial Reporting:

Criteria: The County is required to close out the fiscal year and present the financial statements in accordance with generally accepted accounting principles.

Condition: Pasco County experienced difficulty in accurately reporting closing entries in the fiscal year and properly presenting various financial reporting items in the ACFR in accordance with generally accepted accounting principles.

Cause: In the prior year, the County received significant funding from American Rescue Plan Act (ARPA). During the current year, the County determined to transfer the funds and corresponding restrictions on the funds from the APRA Fund to the General Fund. In addition, during the ACFR preparation process significant changes were needed to be made in order to present the ACFR in accordance with generally accepted accounting principles.

Effect: The transfer of funds from the ARPA Fund to the General Fund was not properly recorded. An adjustment of approximately \$75,000,000 to transfers out and unavailable revenue in the ARPA Fund and similar entries, along with a related \$30,000,000 entry to construction in progress in governmental activities were required to be made. Also, numerous adjustments to the ACFR were required in the following areas:

- Net investment in capital assets
- Unavailable revenue
- Leases
- Debt service

Recommendation: The County should continue to review year-end financial reporting to ensure proper accounting treatment is completed. The County should consider advanced training courses for key personnel surrounding highly technical financial reporting topics.

Response: See attached Corrective Action Plan.

Material Weakness

Finding Number: 2022-002 (originally reported as 2018-001, 2019-001, 2020-004, 2021-002): Preparation of the Schedule of Expenditures 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 approximately \$75,000,000 related to the following programs: ALN 21.027 and ALN 20.205. Additionally, two assistance listing numbers were incorrectly reported on the schedule of expenditures of federal awards and state assistance and the amounts passed-through to subrecipients were incorrectly reported for ALN 21.027 and 21.023.

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 two programs.

Pasco County, Florida

Schedule of Findings and Questioned Costs

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

Material Weakness

Finding Number: 2022-003

CSFA # 40.901:

State Project: State Housing Initiatives Partnership Program (SHIP)

Passed through: N/A

Contract Number and Year: N/A, 2022

Compliance Requirement: Period of Availability

Questioned Costs: \$833,000

Criteria: Rule Chapter 67-37005(1)(f), Florida Administrative Code, requires funds deposited to the local housing assistance trust fund must be spent within twenty-four months from the end of the applicable State fiscal year. Exceptions to this time frame must be approved by the Corporation SHIP Program Administrator on a case-by-case basis.

Condition: The County expended approximately \$833,000 after the end of the period of availability for the 2019/2020 LHAP year.

Cause: The County did not receive an extension for the period of availability to expend funds for the 2019/2020 LHAP year.

Effect: SHIP 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 project expenditures are in compliance and will be completed within the appropriate period.

Response: See attached Corrective Action Plan.

Pasco County, Florida

Summary Schedule of Prior Year Audit Findings

Material Weakness

Finding Number: 2021-001 (Originally reported as 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. 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.

Current Status: This finding is fully corrected.

Material Weakness

Finding Number: 2021-002 (originally reported as 2018-001, 2019-001, and 2020-004)

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 approximately \$12,100,000 related to the following programs: ALN 93.558, 93.667, 21.019, and 21.027. Additionally, three assistance listing numbers were 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 9/30/2022 as 2022-002.



Material Weakness

Finding Number: 2022-001: Year-End Financial Reporting:

Criteria: The County is required to close out the fiscal year and present the financial statements in accordance with generally accepted accounting principles.

Condition: Pasco County experienced difficulty in accurately reporting closing entries in the fiscal year and properly presenting various financial reporting items in the ACFR in accordance with generally accepted accounting principles.

Cause: In the prior year, the County received significant funding from American Rescue Plan Act (ARPA). During the current year, the County determined to transfer the funds and corresponding restrictions on the funds from the APRA Fund to the General Fund. In addition, during the ACFR preparation process significant changes were needed to be made in order to present the ACFR in accordance with generally accepted accounting principles.

Effect: The transfer of funds from the ARPA Fund to the General Fund was not properly recorded. An adjustment of approximately \$75,000,000 to transfers out and unavailable revenue in the ARPA Fund and similar entries, along with a related \$30,000,000 entry to construction in progress in governmental activities were required to be made. Also, numerous adjustments to the ACFR were required in the following areas:

- Net investment in capital assets
- Unavailable revenue
- Leases
- Debt service

Recommendation: The County should continue to review year-end financial reporting to ensure proper accounting treatment is completed. The County should consider advanced training courses for key personnel surrounding highly technical financial reporting topics.

Response and Corrective Action Plan: Pasco County has created training videos which are available to all employees who assist in the grant accounting process. All county employees involved in the grant accounting process will be required to take the training courses. These training courses provide a description and understanding of the grant management lifecycle and accounting expectations. In addition, Pasco County's FY23 budget cycle focused heavily on external training for employees. Key accounting personnel are attending Florida Government Finance Officers Association (FGFOA) and Government Finance Officers Association (GFOA) advanced training courses, which cover highly technical financial reporting topics. Lastly, quarterly analytics will be performed related to capital (construction in progress), revenues, debt service and leases to prevent future instances.

Contact: Robert Goehrig, Budget Director

Anticipated Completion Date: September 30, 2023

COUNTY ADMINISTRATION

Material Weakness

Finding Number: 2022-002 (originally reported as 2018-001, 2019-001, 2020-004, 2021-002): 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 approximately \$75,000,000 related to the following programs: ALN 21.027 and ALN 20.205. Additionally, two assistance listing numbers were incorrectly reported on the schedule of expenditures of federal awards and state assistance and the amounts passed-through to subrecipients were incorrectly reported for ALN 21.027 and 21.023.

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 two programs.

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 Office of Management & Budget will continue to host the Audit Review Team (ART) meeting and require attendance by key personnel. The ART meetings review grant agreements, CFDA/ALN/CFSA numbers, subrecipient information, award amounts, pass through information, match amounts, eligibility of current year expenditures, closing and reporting. Pasco County has also created training videos which are available to all employees who assist in the grant process. All county employees involved in the grant accounting process will be required to take the training courses. These training courses provide a description and understanding overview of the grant management lifecycle and accounting expectations. In addition, in FY23 the county is re-organizing the management of grants. A grant manager is being hired to begin the centralizing of grant management in Pasco County. This centralized grant team will be responsible for coordinating with departments to perform their independent review of their portion of the schedule.

Contact: Robert Goehrig, Budget Director

Anticipated Completion Date: September 30, 2023

Material Weakness

Finding Number: 2022-003

Criteria: Rule Chapter 67-37005(1)(f), Florida Administrative Code, requires funds deposited to the local housing assistance trust fund must be spent within twenty-four months from the end of the applicable State fiscal year. Exceptions to this time frame must be approved by the Corporation SHIP Program Administrator on a case-by-case basis.

Condition: The County expended approximately \$833,000 after the end of the period of availability for the 2019/2020 LHAP year.

Cause: The County did not receive an extension for the period of availability to expend funds for the 2019/2020 LHAP year.

Effect: SHIP 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 project expenditures are in compliance and will be completed within the appropriate period.

Response and Corrective Action Plan: Pasco County Community Development recognizes the requirement in the Florida Administrative Code to expend SHIP funds within 24 months from the end of the applicable State year. The key strategy to meet this requirement is to increase our maximum awards for our programs. Proactively, the department amended our Local Housing Assistance Plan, increasing the maximum awards for Pasco County programs. This proactive change has increased expenditures and should enable the County to expend funds in a timely manner. The Report is being submitted as this corrective action plan is written. Additionally, the County has committed to several large affordable housing developments as well as hired a team member whose main responsibility is to perform outreach for our SHIP Homeownership Programs. While it is believed that these actions will result in timely expenditures, the Department commits to requests for Expenditure Extensions (close-out year ONLY), should the expenditure deadline not be met. Our department will review the SHIP report in early June. If an extension is needed, the request will be received by FHFC by June 15 of the year in which funds are required to be expended. The extension request shall be emailed to robert.dearduff@floridahousing.org and cameka.gardner@floridahousing.org and include: 1. A statement that “the County requests an extension to the expenditure deadline for fiscal year _____. 2. The amount of funds that is not expended. 3. The amount of funds that is not encumbered or has been recaptured. 4. A detailed plan of how/when the money will be expended.”

Contact:

Marcy A. Esbjerg, MPA Director, Community Development

Anticipated Completion Date:

September 15, 2023

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, 2022, and have issued our report thereon dated June 30, 2023.

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 30, 2023, 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 2021-001, a material weakness over financial reporting, was determined corrected and is no longer relevant. Prior year finding 2021-002, a material weakness 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 2022-002.

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 noted that management should ensure state revenue collections are recorded on the modified accrual basis of accounting in the governmental funds.

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.

Specific Information

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 as	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 as	0	0
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as	\$26,936 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 as	\$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 as	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, as	The final budget adopted by the District increased budgeted expenditures by \$1,100.	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.

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

Tampa, Florida
June 30, 2023

**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, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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, 2022.

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 30, 2023

**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, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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, 2022.

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 30, 2023



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

June 20, 2023

Sherrill F. Norman, CPA
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

Dear Auditor General Norman:

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.

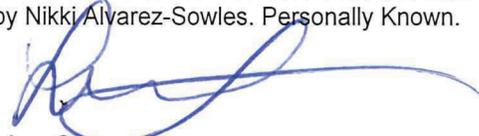
Attached is correspondence received from the County’s Office of Management and Budget which states the County has complied with the Act.

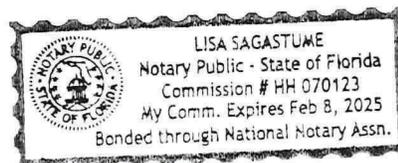
For any question related to this information, please contact Matthew Lazar, Finance Director, in my office at (352) 521-4092.

With appreciation,


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

State of Florida, County of Pasco
Sworn to and subscribed before me this 20th day of June 2023,
by Nikki Alvarez-Sowles. Personally Known.


Lisa Sagastume
Notary Public



Attachment

**P.O. Box 338
New Port Richey, FL 34656-0338**

**(727) 847-8199
www.pascoclerk.com**

**38053 Live Oak Ave
Dade City, FL 33523-3805**

VIA COURIER

June 13, 2023

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

Dear Ms. Alvarez-Sowles:

The Office of Management & Budget certifies Pasco County complied with Section 163.31801, Florida Statutes, 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.

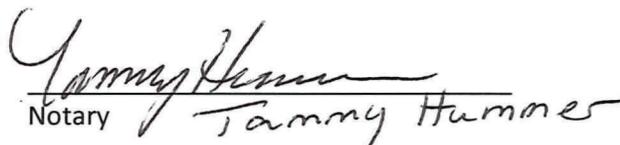
Sincerely,



Robert G. Goehrig
Budget Director

State of Florida County of Pasco

This foregoing instrument was acknowledged before me this 13 day of June 2023 by Robert G. Goehrig Personally Known



Notary Tammy Hummer

