



PASCO COUNTY, FLORIDA

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

September 30, 2023

(With Independent Auditor's Report Thereon)



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**INDEPENDENT AUDITOR’S 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, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements and have issued our report thereon dated April 9, 2024.

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, 2023-001 and 2023-002.

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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Pasco County, Florida's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Tampa, Florida

April 9, 2024 except for finding 2023-002 noted in the section titled Report on Internal Control over Financial Reporting which is dated June 6, 2024.

**INDEPENDENT AUDITOR’S 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

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, 2023. The County’s major federal programs and major state projects are identified in the summary of Auditor’s 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, 2023.

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, 2023.

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 Auditor’s 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 2023-003 for Reporting.

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.

Auditor's 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.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a material weakness.

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.

Report on Schedules of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pasco County, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated April 9, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, Rule of the Auditor General, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Tampa, Florida
June 6, 2024

Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

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	Program Income	\$ 153	\$ -
Rural Housing Preservation Grants	10.433	Outstanding Loans	640,100	-
Total Rural Housing Preservation Grant			<u>640,253</u>	<u>-</u>
Total U.S Department of Agriculture			<u>640,253</u>	<u>-</u>
U.S Department of Commerce				
<i>Passed through State of Florida Department of Environmental Protection</i>				
Coastal Zone Management Administration Awards	11.419	CZ425	7,802	-
Total U.S. Department of Commerce			<u>7,802</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	Outstanding Loans	7,157,516	-
Community Development Block Grants/Entitlement Grants	14.218	B17-UC-12-0009	10,041	10,041
Community Development Block Grants/Entitlement Grants	14.218	B18-UC-12-0009	271,907	271,907
Community Development Block Grants/Entitlement Grants	14.218	B19-UC-12-009	395,401	395,401
Community Development Block Grants/Entitlement Grants	14.218	B-20-UC-12-0009	37,582	37,582
Community Development Block Grants/Entitlement Grants	14.218	B-21-UC-12-0009	767,073	767,924
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	B-20-UW-0009	671,222	574,756
Community Development Block Grants/Entitlement Grants	14.218	B-22-UC-12-0009	444,955	83,984
ARRA Neighborhood Stabilization Program NSP 1	14.218	Outstanding Loans	3,993,209	-
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	Outstanding Loans	650,147	-
Community Development Block Grants/Entitlement Grants	14.218	Program Income	870,763	435,369
Neighborhood Stabilization Program NSP 3	14.218	Outstanding Loans	849,290	-
Neighborhood Stabilization Program NSP 3	14.218	Program Income	38,757	-
Total CDBG - Entitlement Grants Cluster			<u>16,157,863</u>	<u>2,576,965</u>
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	HM006, MT027	133,493	-
COVID-19/ Emergency Solutions Grant Program	14.231	E-20-UW-12-0009	1,106,607	1,067,233
Emergency Solutions Grant Program	14.231	E-22-UC-12-0009	187,044	187,044
Total Emergency Solutions Grant Program			<u>1,293,651</u>	<u>1,254,277</u>
Home Investment Partnerships Program	14.239	M15-UC-120016	133,078	133,078
Home Investment Partnerships Program	14.239	M16-UC-120016	(20,368)	-
Home Investment Partnerships Program	14.239	M17-UC-120016	(130,000)	-
Home Investment Partnerships Program	14.239	M18-UC-120016	(337,534)	122,592
Home Investment Partnerships Program	14.239	M21-DC120216	(21,013)	-
Home Investment Partnerships Program	14.239	M21-DP120216	74,241	-
Home Investment Partnerships Program	14.239	M22-DC12-0216	170,360	34,899
Home Investment Partnerships Program	14.239	Program Income	897,238	884,085
Home Investment Partnerships Program	14.239	Outstanding Loans	15,031,356	-
Total Home Investment Partnerships Program			<u>15,797,358</u>	<u>1,174,654</u>
<i>Passed through Neighborhood Lending Association</i>				
Neighborhood Stabilization Program	14.256	B09-CN-FL-0023	7,722,513	-
Neighborhood Stabilization Program	14.256	Program Income	14,708	-
Total Neighborhood Stabilization Program			<u>7,737,221</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>41,119,586</u>	<u>5,005,896</u>
Fish and Wildlife Conservation				
<i>Passed through the State of Florida Fish and Wildlife Conservation Commission</i>				
Mangrove Restoration	15.634	20004	6,777	-

Continued

Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL ALN	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
U.S. Department of Justice				
Treatment Court Discretionary Grant Program	16.585	4225/4227	208,141	-
<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-C	2,992	-
<i>Passed through of Florida, Department of legal affairs, Office of The Attorney General</i>				
Crime Victim Assistance	16.575	VOCA-2022-776	122,524	-
<i>Passed through Florida Department of Children and Families</i>				
Violence Against Women Formula Grants	16.588	LN187	23,378	-
<i>Passed through Florida Department of Law Enforcement</i>				
Public Safety Partnership and Community Policing Grants	16.710	2020-MH-WX-K020	8,349	-
Public Safety Partnership and Community Policing Grants	16.710	2020-UL-WX-0044	1,081,866	-
Total Public Safety Partnership and Community Policing Grants			1,090,215	-
<i>Passed through Florida Department of Law Enforcement</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	8C222	74,767	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-WY-BX-0004	143,825	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02114-JAGX	116,744	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01327-JAGX	13,824	-
Total Edward Byrne Memorial Justice Assistance Grant Program			349,160	-
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	15PBJA-21-GG-04328-MENT	109,728	-
<i>Passed through Seminole County Sheriff's Office</i>				
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	2019-ODMAP-026	19,887	-
Equitable Sharing Program	16.922	N/A	478,108	-
Total U.S. Department Of Justice			2,404,133	-
U.S. Department of Transportation				
<i>Passed through Florida Department of Transportation</i>				
Highway Planning and Construction	20.205	G2B69	938,222	-
Highway Planning and Construction	20.205	G2776	584,387	-
Highway Planning and Construction	20.205	G1555	93,384	-
Total Highway Planning and Construction			1,615,993	-
<i>Passed through Florida Department of Environmental Protection</i>				
Recreational Trails Program	20.219	T1911	160,000	-
<i>Passed through Florida Department of Transportation</i>				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	G2426	154,153	-
Total Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			154,153	-

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL ALN	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
<i>Federal Transit Cluster</i>				
Federal Transit Formula Grants	20.507	FL-2019-024	46,053	-
Federal Transit Formula Grants	20.507	FL2020-061	132,730	-
COVID-19 Federal Transit Formula Grants	20.507	FL-2020-098	879,145	-
Federal Transit Formula Grants	20.507	FL90X-814	2,380	-
Federal Transit Formula Grants	20.507	FL90X-871	62,321	-
Federal Transit Formula Grants	20.507	FL90X-895	932,685	-
Federal Transit Formula Grants	20.507	FL90X-847	57,111	-
Federal Transit Formula Grants	20.507	FL-2021-087-00	281,207	-
Federal Transit Formula Grants	20.507	FL-2023-010-00	906,466	-
Federal Transit Formula Grants	20.507	FL-2021-079-01	587,884	-
Total Federal Transit Formula Grants			<u>3,887,982</u>	-
Bus and Bus Facilities Formula & Discretionary Programs	20.526	FL-2022-057-00	12,778	-
Bus and Bus Facilities Formula & Discretionary Programs	20.526	FL-2018-063	360,000	-
Total Bus and Bus Facilities Formula & Discretionary Programs			<u>372,778</u>	-
Total Federal Transit Cluster			<u>4,260,760</u>	-
<i>Passed through Florida Department of Transportation</i>				
Formula Grants for Rural Areas	20.509	G1311	47,035	-
Formula Grants for Rural Areas	20.509	G2548	44,596	-
Formula Grants for Rural Areas	20.509	G1M37	497,784	-
Formula Grants for Rural Areas	20.509	G1H36	40,158	-
Formula Grants for Rural Areas	20.509	G1U51	170,623	-
Formula Grants for Rural Areas	20.509	G1H35	103,348	-
Total Formula Grants for Rural Areas			<u>903,544</u>	-
Total U. S. Department of Transportation			<u>7,094,450</u>	-
U.S. Department of the Treasury				
COVID-19 Emergency Rental Assistance Program	21.023	ERA2-0317	5,674,612	5,582,448
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	75,631,473	-
Total U.S. Department of the Treasury			<u>81,306,085</u>	<u>5,582,448</u>
United States Environmental Protection Agency (USEPA)				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	02D28722	14,128	-
Total United States Environmental Protection Agency (USEPA)			<u>14,128</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	257,276	-
Total United States Department of Education			<u>257,276</u>	-
U.S. Election Assistance Commission				
Total HAVA Election Security Grants	90.404	N/A	168,592	-
Total U.S. Election Assistance Commission			<u>168,592</u>	-

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Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

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>				
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	ERP21	35,783	-
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	OAA-EA022-PASCO IIIB	68,670	-
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	OAA-EA023-PASCO IIIB	<u>118,383</u>	-
Total Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers			<u>222,836</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	EA023	668,413	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Program Income	4,659	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	EA022	422,467	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Program Income	552	-
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	ERP21	<u>455,471</u>	-
Total Special Programs for the Aging Title III, Part C Nutrition Services			<u>1,551,562</u>	-
Nutrition Services Incentive Program	93.053	EAO23	<u>105,909</u>	-
Total Nutrition Services Incentive Program			<u>105,909</u>	-
Total Aging Cluster			<u>1,880,307</u>	-
<i>Passed through the National Center for Injury Prevention and Control</i>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	4111	534,207	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	4330	<u>637,930</u>	-
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			<u>1,172,137</u>	-
<i>Passed through the Florida Department of Health</i>				
Public Health Emergency Response	93.354	C051AE	<u>294,824</u>	-
<i>Passed through Florida Department of Children and Families</i>				
Temporary Assistance for Needy Families	93.558	QJZ04	1,768,269	-
Temporary Assistance for Needy Families	93.558	QJZ04	823,159	-
Temporary Assistance for Needy Families	93.558	QJZA3	428,798	-
Temporary Assistance for Needy Families	93.558	QJZ04-0001	437,343	-
Temporary Assistance for Needy Families	93.558	QJZ04-0001	203,591	-
Total Temporary Assistance for Needy Families			<u>3,661,160</u>	-
Child Support Enforcement	93.563	C0C51	<u>486,123</u>	-
<i>Passed through Florida Department of Elder Affairs</i>				
Low-Income Home Energy Assistance	93.568	EP021	<u>386,912</u>	-
CCDF Cluster				
Child Care and Development Block Grant	93.575	QJZA3	<u>921,121</u>	-
Total CCDF Cluster			<u>921,121</u>	-

Continued

Pasco County, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

FEDERAL AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM	FEDERAL ALN	CONTRACT NUMBER	EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
Social Services Block Grant	93.667	QJZ04	457,311	-
Social Services Block Grant	93.667	QJZA3	238,221	-
Social Services Block Grant	93.667	QJZ04-0001	113,106	-
Total Social Services Block Grant			<u>808,638</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>9,611,222</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	50,830	-
High Intensity Drug Trafficking Areas Program	95.001	G22CF0014A	21,950	-
Total High Intensity Drug Trafficking Areas Program			<u>72,780</u>	<u>-</u>
Total Executive Office of the President			<u>72,780</u>	<u>-</u>
U.S. Department of Homeland Security				
<i>Passed through Florida Division of Emergency Management</i>				
Flood Mitigation Assistance	97.029	B0101	120,601	-
Flood Mitigation Assistance	97.029	B0160	22,500	-
Total Flood Mitigation Assistance			<u>143,101</u>	<u>-</u>
<i>Passed through Florida Division of Emergency Management</i>				
Disaster Grants Public Assistance	97.036	00855	824,041	-
Disaster Grants Public Assistance	97.036	691266	21,716	-
Disaster Grants Public Assistance	97.036	737378	345,054	-
Total Disaster Grant Public Assistance			<u>1,190,811</u>	<u>-</u>
<i>Passed through Florida Division of Emergency Management</i>				
Emergency Management Performance Grants	97.042	G0433	141,086	-
Emergency Management Performance Grants	97.042	CERT 22-14	5,000	-
Total Emergency Management Performance Grants			<u>146,086</u>	<u>-</u>
Assistance to Firefighters Grant Program	97.044	EMW-2020-FG-02098	257,189	-
<i>Passed through Florida Division of Emergency Management</i>				
Homeland Security Grant Program	97.067	R0359	8,660	-
Homeland Security Grant Program	97.067	R0461	202,045	-
Homeland Security Grant Program	97.067	R0541	55,500	-
Total Homeland Security Grant Program			<u>266,205</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>2,003,392</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 144,706,476</u>	<u>\$ 10,588,344</u>

Pasco County, Florida
Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2023

STATE AGENCY, STATE PROGRAM	CSFA NUMBER	CONTRACT NUMBER	EXPENDITURES
Executive Office of the Governor			
Emergency Management Programs	31.063	A0299	\$ 105,086
Emergency Management Programs	31.063	A0348	<u>27,710</u>
Total Emergency Management Programs			<u>132,796</u>
Emergency Management Projects	31.067	T0212	<u>1,467</u>
Urban Search and Rescue Sustainment Program	31.078	T0261	<u>15,515</u>
Total Executive Office of the Governor			<u>149,778</u>
Florida Department of Environmental Protection			
Florida Recreation Development Assistance Program	37.017	A1005	78,918
Florida Recreation Development Assistance Program	37.017	A1013	<u>58,208</u>
Total Florida Recreation Development Assistance Program			<u>137,126</u>
Statewide Water Quality Restoration Projects	37.039	LPA0361	62,708
Statewide Water Quality Restoration Projects	37.039	LPA0207	1,554,281
Statewide Water Quality Restoration Projects	37.039	LPA0206	<u>221,579</u>
Total Statewide Water Quality Restoration Projects			<u>1,838,568</u>
Resilient Florida Program	37.098	22PLN90	<u>33,717</u>
Total Florida Department of Environmental Protection			<u>2,009,411</u>
Florida Department of Economic Opportunity			
<i>Passed through Florida Sports Foundation</i>			
Economic Development Partnerships	40.040	223568278	915
Economic Development Partnerships	40.040	236244853	1,253
Economic Development Partnerships	40.040	250239808	5,457
Economic Development Partnerships	40.040	250245929	5,000
Economic Development Partnerships	40.040	260703381	5,792
Economic Development Partnerships	40.040	272183388	3,397
Economic Development Partnerships	40.040	260698188	8,761
Economic Development Partnerships	40.040	272228940	4,000
Economic Development Partnerships	40.040	272232724	3,948
Economic Development Partnerships	40.040	272237851	6,570
Economic Development Partnerships	40.040	272240917	174
Economic Development Partnerships	40.040	283068597	<u>3,000</u>
Total Economic Development Partnership Program			<u>48,267</u>
Economic Development Tax Refund, Tax Credit, and Grant Program	40.043	G0051	<u>1,350,717</u>
Total Florida Department of Economic Opportunity			<u>1,398,984</u>
Florida Housing Finance Corporation			
State Housing Initiatives Partnership Program	40.901	M01-UC-20-0216	948,955
State Housing Initiatives Partnership Program	40.901	M01-UC-22-0216	1,800,036
State Housing Initiatives Partnership Program	40.901	Loans	2,691,122
State Housing Initiatives Partnership Program	40.901	Program Income	<u>1,773,082</u>
Total State Housing Initiatives Partnership Program			<u>7,213,195</u>
Total Florida Housing Finance Corporation			<u>7,213,195</u>

Continued

Pasco County, Florida
Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2023

STATE AGENCY, STATE PROGRAM	CSFA NUMBER	CONTRACT NUMBER	EXPENDITURES
Florida Department of State and Secretary of State			
State Aid to Libraries	45.030	23-ST-69	151,314
Total Florida Department of State and Secretary of State			151,314
Florida Department of Transportation			
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant	55.001	G2A36	643,484
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant	55.001	G2K75	161,761
Total Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program			805,245
Florida Commission for the Transportation Disadvantaged (CTD) Planning Grant	55.002	G1Y63	1,154
County Incentive Grant Program	55.008	G0144	741,404
County Incentive Grant Program	55.008	G0N01	1,488,469
Total County Incentive Grant Program			2,229,873
Public Transit Block Grant	55.010	G1Q90	1,209,339
Public Transit Service Development Program	55.012	G1T95	40,598
Transit Corridor Development Program	55.013	G2094	60,542
Transit Corridor Development Program	55.013	G1T87	194,278
Transit Corridor Development Program	55.013	G2093	280,546
Total Transit Corridor Development Program			535,366
Local Transportation Projects	55.039	G1U20	183,623
Total Florida Department of Transportation			5,005,198
Florida Department of Health			
County Grant Awards	64.005	C1051	35,626
Total Florida Department of Health			35,626

Continued

Pasco County, Florida
Schedule of Expenditures of State Financial Assistance
For the Year Ended September 30, 2023

<u>STATE AGENCY, STATE PROGRAM</u>	<u>CSFA NUMBER</u>	<u>CONTRACT NUMBER</u>	<u>EXPENDITURES</u>
Florida Department of Elder Affairs			
Home Care For the Elderly	65.001	EH023-PASCO HCE	<u>4,288</u>
Local Services Programs	65.009	OAA-EL022-PASCO IIIB	48,406
Local Services Programs	65.009	EL022 Nutrition FY23	<u>121,238</u>
Total Local Services Programs			<u>169,644</u>
Alzheimer interventions, Memory Disorder Clinics, Brain Banks and Alzheimer Special Projects	65.002	EC023	<u>44,328</u>
Community Care for the Elderly	65.010	EZ023	<u>11,241</u>
Total Florida Department of Elder Affairs			<u>229,501</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>391,938</u>
Center for Recovery of Endangered and Missing Persons	71.057	7G009	<u>2,729,962</u>
PASCO Sheriffs Office Deployable Emergency Operations Center	71.110	L8024	<u>22,622</u>
Total Florida Department of Law Enforcement			<u>3,144,522</u>
Florida Department of Management Services			
Prepaid Next Generation 911 (NG911) State Grant	72.003	S15-20-06-17	229,151
Prepaid Next Generation 911 (NG911) State Grant	72.003	S15-20-06-26	<u>9,000</u>
Total Prepaid Next Generation 911 (NG911) State Grant			<u>238,151</u>
Total Florida Department of Management Services			<u>238,151</u>
Fish and Wildlife Conservation Commission			
Derelict Vessel Removal Program	77.005	N/A	<u>46,000</u>
Total Fish and Wildlife Conservation Commission			<u>46,000</u>
Florida Department of Juvenile Justice			
Juvenile Assessment Centers	80.020	10722	<u>279,798</u>
Diversion Services	80.022	10736	<u>263,173</u>
Total Florida Department of Juvenile Justice			<u>542,971</u>
Total Expenditures of State Financial Assistance			<u>\$ 20,164,651</u>

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

NOTE 1: BASIS OF PRESENTATION

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The County did not receive any federal or state non-cash assistance for the fiscal year ended September 30, 2023.

NOTE 3: LOANS OUTSTANDING

The County had the following loan balances outstanding at September 30, 2023. 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.

ALN/CSFA#	Program	Amount
10.433	Rural Housing Preservation Grants	\$ 640,100
14.218	Community Development Block Grant	\$ 12,650,162
14.239	Home Investment Partnerships Program	\$ 15,031,356
14.256	Neighborhood Stabilization Program NSP 2	\$ 7,722,513
40.901	State Housing Initiative Partnership (SHIP) Program	\$ 24,175,121

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, 2023, 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 Auditor’s report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | |
|--|-------------|
| 1. Type of Auditor’s 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 |
| Temporary Assistance for Needy Families (TANF) | 93.558 |
| 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 Auditor’s 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 |
| Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant | 55.001 |
| Center for Recovery of Endangered and Missing Persons | 71.057 |
| 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: 2023-001: Financial Statement Presentation

Criteria: The County is required to present its financial statements in accordance with generally accepted accounting principles.

Condition: During the year-end audit, multiple adjusting entries were determined to be necessary to present the annual comprehensive financial report in accordance with generally accepted accounting principles.

Cause: During the fiscal year, reconciliations were not performed on a regular, timely basis for several significant items within the Solid Waste and Water & Wastewater Funds. This included the review of Commitment Fees and Construction in Process (CIP) figures for various projects in the Solid Waste and Water & Wastewater funds. This resulted in Commitment Fee figures, including deposits, accounts receivable and revenues, having material differences between the department's billing platform and the County's accounting system. A similar situation was noted in the Solid Waste and Water & Wastewater funds, for CIP figures related to large ongoing projects ongoing within the County. An account type was being improperly used to record expenses and changes to CIP. This led to discrepancies in expenses and an incomplete reflection of CIP balances.

Effect: Adjusting entries needed to be recorded to true up the Water and Wastewater figures to the billing system: revenues were decreased while unearned revenues were increased by \$1,164,000, while related accounts receivable were decreased by \$279,000. Adjusting entries were also needed to align with financial reporting at the end of the fiscal year. Similar adjustments were made to the Water & Wastewater fund, by \$9,440,000 and \$4,457,000, respectively.

Recommendation: The County should enact procedures to ensure that significant areas are being reconciled regularly throughout the financial year and that these reconciliations are being reviewed and approved by qualified persons in a timely manner.

Response: See attached Corrective Action Plan.

Material Weakness

Finding Number: 2023-002 (originally reported as 2018-001, 2019-001, 2020-004, 2021-002, 2022-002): 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 and state expenditures were understated on the schedule of expenditures of federal awards and state financial assistance by approximately \$38,810,000 related to the following programs: ALN 14.256, ALN 14.218, ALN 14.239, ALN 10.433 and CSFA 40.901. Additionally, once assistance listing number was incorrectly reported on the schedule of expenditures of federal awards and state assistance.

Pasco County, Florida Schedule of Findings and Questioned Costs

Cause: Loan balances for federal awards and new loans for one state project were excluded from 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: Misstatement of the expenditures reported on the schedule of expenditures of federal awards and state financial assistance.

Recommendation: We recommend the County improve its financial reporting close process to perform a final review the schedule of expenditures of federal awards and state financial assistance to ensure completeness and accuracy of information reported. 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 Programs

None

Part IV – Findings and Questioned Costs – State Projects

Material Weakness

Finding Number: 2023-003

CSFA # 40.901:

State Project: State Housing Initiatives Partnership Program (SHIP)

Passed through: N/A

Contract Number and Year: N/A, 2023

Compliance Requirement: Reporting

Questioned Costs: N/A

Criteria: Section 420.9075(10), Florida Statutes, requires each county or eligible municipality to submit an annual report of its affordable housing programs and accomplishments to Florida Housing by September 15 of each year.

Condition: The County did not submit an annual report to Florida Housing for the LHAP year 2020-2021 that was due September 15, 2023.

Cause: The projects for LHAP year 2020-2021 funded by program income were not complete by September 15, 2023, so the County did not submit the annual report.

Effect: Noncompliance with program requirements could result in loss of future funding.

Recommendation: The County should improve its process for identifying and adhering to reporting requirements to ensure reports are submitted accurately and timely.

Response: See attached Corrective Action Plan.



Material Weakness

Finding Number: 2023-001: Financial Statement Presentation:

Criteria: The County is required to present its financial statements in accordance with generally accepted accounting principles.

Condition: During the year-end audit, multiple adjusting entries were determined to be necessary to present the annual comprehensive financial report in accordance with generally accepted accounting principles.

Cause: During the fiscal year, reconciliations were not performed on a regular, timely basis for several significant items within the Solid Waste and Water & Wastewater Funds. This included the review of Commitment Fees and Construction in Process (CIP) figures for various projects in the Solid Waste and Water & Wastewater funds. This resulted in Commitment Fee figures, including deposits, accounts receivable, and revenues, having material differences between the department's billing platform and the County's accounting system. A similar situation was noted in the Solid Waste and Water & Wastewater funds, for CIP figures related to large ongoing projects within the County. An account type was being improperly used to record expenses and changes to CIP. This led to discrepancies in expenses and an incomplete reflection of CIP balances.

Effect: Adjusting entries needed to be recorded to true up the Water and Wastewater figures to the billing system: revenues were decreased while unearned revenues were increased by \$1,164,000, and related accounts receivable were decreased by \$279,000. Adjusting entries were also needed to align with financial reporting at the end of the fiscal year. The Solid Waste Investments in CIP decreased by \$4,411,000 and net position increased by \$1,461,000. Similar adjustments were made to the Water & Wastewater fund, by \$9,440,000 and \$4,457,000, respectively.

Recommendation: The County should enact procedures to ensure that significant areas are being reconciled regularly throughout the financial year and that these reconciliations are being reviewed and approved by qualified persons in a timely manner.

Response and Corrective Action Plan: The Utilities Department has diligently worked with the Financial Services Department (Clerk) and Independent Auditors over the past several months to complete the necessary reconciliations and reporting actions to prepare accurate financial statements for Fiscal Year 2023. In advance of the formal findings being issued by the independent auditor, we would like to share the following corrective action plan to address this finding and prevent it from recurring in the future:

- Annually, the Customer Information & Services team (CI&S) will prepare a memorandum to be submitted to the Public Infrastructure and Business Administration (PIFBA). The purpose is to ensure the proper reports are utilized from CISInfinity4 (Customer Information System software) to identify key financial data that will be used to reconcile information within the enterprise resource planning system (ERP).

COUNTY ADMINISTRATION



PASCO COUNTY, FLORIDA CORRECTIVE ACTION PLAN

- CI&S has developed and increased oversight related to the monthly reconciliation procedures. These procedures will continue to be monitored and updated to ensure that the CISInfinity4 and ERP system reconcile on a monthly basis.
- Once per quarter, CI&S will send all reconciliations to PIFBA so that a timely review can be completed and approved by a fiscal teammate.
- Operating procedures will be reviewed and updated to document that any delay in the reconciliation process will be reported to PIFBA. This will ensure that proper intervention and allocation of resources can be performed to avoid delays in processing and approving outstanding items.
- Any member of CI&S that is involved in the daily receipt, entry, reporting and/or reconciliation of commitment fees and associated accounts, will undergo additional training. This training has the goal to provide teammates with the ability to make timely and accurate journal entries.

Contact: Justin Grant, Director – Public Infrastructure
Fiscal and Business Administration

Sandra Anderson, Director – Customer Information & Services
Pasco County Utilities

Anticipated Completion Date: September 30, 2024

To allow for the maintenance of accurate balances throughout the fiscal year, Financial Services began working with departments in March 2024 to conduct quarterly analytics on CIP accounts managed within the ERP system. Furthermore, the Financial Services Management team will no longer allow end of year entries to be submitted by the BCC outside of the agreed upon year end schedule. This will allow for thorough end-of-year reviews to be completed timely and accurately.

Contact: Matthew Lazar, Finance Director

Anticipated Completion Date: September 30, 2024

COUNTY ADMINISTRATION

PASCO COUNTY, FLORIDA CORRECTIVE ACTION PLAN



Material Weakness

Finding Number: 2023-002 (originally reported as 2018-001, 2019-001, 2020-004, 2021-002, 2022-002): 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 and state expenditures were understated on the schedule of expenditures of federal awards and state financial assistance by approximately \$38,810,000 related to the following programs: ALN 14.256, ALN 14.218, ALN 14.239, ALN 10.433 and CSFA 40.901. Additionally, one assistance listing number was incorrectly reported on the schedule of expenditures of federal awards and state assistance.

Cause: Loan balances for federal awards and new loans for one state project were excluded from 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 impacted the federal and state major program and project determinations.

Recommendation: We recommend the County improve its financial reporting close process by performing a final review of the schedule of expenditures of federal awards and state financial assistance to ensure completeness and accuracy of information reported. 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 agrees with the recommendation to improve the financial reporting process for the Schedule of Expenditures of Federal Awards (SEFA). The Office of Management & Budget (OMB) has started to assess the current process and improve future SEFA reporting. In October 2023, OMB hired a Grants Manager to coordinate, administer, account for, and facilitate the strategic grant funding initiatives of the County. Since that time, OMB has hired a Grants Compliance Analyst to ensure compliance with the internal controls of all federal, state, and local funding that the County has received. To ensure compliance, the Grants Compliance Analyst will review and monitor all financial and programmatic grant-related activities throughout the fiscal year. This will be done through the performance of mock compliance audit reviews. The Grants Management Division will continue to host the Grant Oversight Committee (GOC) meetings, formally known as the Audit Review Team (ART), which require attendance by key personnel. During the GOC meetings, participants review grant agreements, CFDA/ALN/CFSA numbers, subrecipient information, award amounts, pass-through information, match amounts, eligibility of current year expenditures, grant close out process, and reporting requirements. To further assist in the financial reporting process, County teammates that are involved in the grant process will be required to attend in-person trainings and watch training videos.

With support from the Clerk's Financial Services Department (Finance), OMB will coordinate the development of a standard operating procedure (SOP) to incorporate the final review of the SEFA. The purpose of the SOP will be to set expectations for those involved in the preparation of the SEFA. This will include the communication and review of the final SEFA prior to submission to the external auditors. OMB and Finance will assist in coordinating these efforts, and a submission to the external auditors for review will only be made after consensus is reached on the accuracy of the data presented.

COUNTY ADMINISTRATION

727.847.8115 | West Pasco Government Center | 8731 Citizens Drive, Suite 350 | New Port Richey, FL 34654

Pasco County, Florida Corrective Action Plans



PASCO COUNTY, FLORIDA CORRECTIVE ACTION PLAN

Contact:

Chalonda Smith, PHD, Grants Manager
Matthew Lazar, Finance Director

Anticipated Completion Date:

September 30, 2024

COUNTY ADMINISTRATION

727.847.8115 | West Pasco Government Center | 8731 Citizens Drive, Suite 350 | New Port Richey, FL 34654



Material Weakness

Finding Number: 2023-003

CSFA # 40.901

State Project: State Housing Initiative Partnership (SHIP)

Passed through: N/A

Contract Number and Year: N/A, 2023

Compliance Requirements: Reporting

Questioned Cost: N/A

Criteria: Section 420.9075(10), Florida Statutes, requires each county or municipality to submit an annual report of its affordable housing programs and accomplishments to Florida Housing by September 15 of each year.

Condition: The County did not submit an annual report to Florida Housing for the LHAP year 2020-2021 that was due September 15, 2023.

Cause: The projects for LHAP year 2020-2021 funded by program income were not complete by September 15, 2023, so the County did not submit the annual report.

Effect: Noncompliance with program requirements could result in loss of future funding.

Recommendation: The County should improve its process for identifying and adhering to reporting requirements to ensure reports are submitted accurately and timely.

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. Community Development was unable to submit the annual report until all funding and set asides were expended. As soon as that occurred, the 2020-2021 annual report was submitted. The key strategies that will allow Community Development to expend all the funds and meet the set asides include increasing maximum awards for our programs, as well as committing funds to large multi-family development projects. One of the multi-family projects just finished fully leasing their 88-unit affordable housing development. The completion of this project and the leased units allowed Community Development to submit the 2020-2021 report on March 21, 2024. The Pasco County Board of County Commissioners will be holding an Affordable Housing Workshop on May 14, 2024. This workshop will examine the affordable housing need in Pasco County and discuss available incentives to help facilitate the development of new affordable housing. Community Development will be releasing Requests For Proposals along with the new incentives. The Community Development Director or Assistant Director currently attend all the Pre-Applications meetings, including both single family and multi-family projects, that are held by the Planning Department. If the project is a market rate project Community Development explains to the project developer, the different funding sources and incentives that the County has for affordable housing.

COMMUNITY DEVELOPMENT DEPARTMENT

Phone: 727-834-3447 | Fax: 727-834-3450 | 8610 Galen Wilson Blvd, Port Richey, FL 34668

Pasco County, Florida Corrective Action Plans

Community Development is currently expending SHIP funds from the 2021-2022 allocation and program income. Community Development will submit the 2021-2022 report by September 15, 2024. If the funding is not fully expended a request for an extension with Florida Housing Finance Corporation will be requested by June 15, 2024. This request will be sent to Rob Dearduff at Robert.dearduff@floridahousing.org and Cameka Gardner at cameka.gardner@floridahousing.org and include the following:

1. Statement that Pasco County requests and extension to the expenditure deadline for the 2021-2022 fiscal year
2. The amount of funds not expended.
3. The amount of funds that have not been encumbered or recaptured.
4. A detailed plan of how and when the funds will be fully expended.

Contact: Marcy A, Esbjerg, MPA Director Community Development

Anticipated Completion Date: September 15, 2024

COMMUNITY DEVELOPMENT DEPARTMENT

Phone: 727-834-3447 | Fax: 727-834-3450 | 8610 Galen Wilson Blvd, Port Richey, FL 34668

Pasco County, Florida Summary Schedule of Prior Audit Findings

Material Weakness

Finding Number: 2022-001

Financial Reporting

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.

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.

Current Status: This finding is fully corrected.

Material Weakness

Finding Number: 2022-002 (originally reported as 2018-001, 2019-001, 2020-004, and 2021-002)

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 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.

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 9/30/2023 as 2023-002.

Material Weakness

Finding Number: 2022-003

CSFA 40.901

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

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.

Current Status: This finding is fully corrected.