

**HARDEE COUNTY INDIGENT HEALTH CARE
SPECIAL DISTRICT**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2021



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**HARDEE COUNTY INDIGENT HEALTH CARE SPECIAL DISTRICT
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2021**

| | |
|--|-----------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 3 |
| FINANCIAL STATEMENTS | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS | |
| STATEMENT OF NET POSITION | 6 |
| STATEMENT OF ACTIVITIES | 7 |
| FUND FINANCIAL STATEMENTS | |
| BALANCE SHEET – GENERAL FUND | 8 |
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND | 9 |
| NOTES TO FINANCIAL STATEMENTS | 10 |
| SUPPLEMENTAL REPORTS | |
| 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 <i>GOVERNMENT AUDITING STANDARDS</i> | 14 |
| MANAGEMENT LETTER | 16 |
| INDEPENDENT ACCOUNTANTS' REPORT | 19 |



INDEPENDENT AUDITORS' REPORT

Members of the District Board
Hardee County Indigent Health Care Special District
Hardee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Hardee County Indigent Health Care Special District (District), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the District as of September 30, 2021 and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sebring, Florida
January 14, 2022

**HARDEE COUNTY INDIGENT HEALTH CARE SPECIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

As Management of the Hardee County Indigent Health Care Special District (District), we offer the readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2021. The financial reporting model and the financial statements associated with it are described in the following narrative as well as in the Notes to the Financial Statements.

Overview of the Financial Statement

The basic financial statements consist of three components: 1) government-wide financial statements providing information about the activities of the District as a whole; 2) fund financial statements and, 3) notes to the financial statements.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide a broad overview of the District's finances in a manner similar to a private-sector business. The government-wide statements provide information about the District's financial status as a whole. These statements include details of general revenue during the year and a breakdown by category of expenses. The statements include *all* assets and liabilities using the accrual basis of accounting. This means that all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The net position – the difference between assets and liabilities – is an important measure of the District's financial health.

Fund Financial Statements – The fund financial statements provide a detailed look at the District's General Fund. The District, like all government entities, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance related legal requirements. The District uses one fund, a governmental General Fund, which focuses on 1) how cash and other financial assets, that can readily be converted to cash, flow in and out and 2) the balances left at year-end that are available for spending. Consequently, the General Fund statements provide a detailed short-term view that indicates whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Financial Analysis

As noted above, net position may serve, over time, as a useful indicator of a government's financial position. The District's assets consist of cash. The assets of the District exceeded its liabilities at September 30, 2021 by \$328,179. This amount represents the District's net position at September 30, 2021. The District's net position is restricted for indigent health care and must be used to meet the District's obligations. At September 30, 2021, the District had no net position classified as unrestricted or net investment in capital assets.

**HARDEE COUNTY INDIGENT HEALTH CARE SPECIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

The following schedules provide a summary of assets, liabilities, and net position, and changes in net position of the District:

**Hardee County Indigent Health Care Special District
Net Position**

| | 2021 | 2020 | Increase (Decrease) |
|---------------------------|-------------------|-----------------|------------------------|
| Total Cash | \$ 328,179 | \$ 6,231 | \$ 321,948 |
| Total Liabilities | - | - | - |
| Net Position - Restricted | <u>\$ 328,179</u> | <u>\$ 6,231</u> | <u>\$ 321,948</u> |

**Indigent Health Care Special District
Changes in Net Position**

| | 2021 | 2020 | Increase (Decrease) |
|-----------------------------------|-------------------|-----------------|------------------------|
| EXPENSES | | | |
| Human Services | | | |
| Administrative Services | \$ 34,560 | \$27,151 | \$ 7,409 |
| Indigent Health Care | 191,676 | 515,344 | (323,668) |
| Total Expenses | <u>226,236</u> | <u>542,495</u> | <u>(316,259)</u> |
| General Revenue | | | |
| Ad Valorem Taxes | 546,694 | 542,604 | 4,090 |
| Interest | 105 | 195 | (90) |
| Miscellaneous | 1,385 | 601 | 784 |
| Total General Revenue | <u>548,184</u> | <u>543,400</u> | <u>4,784</u> |
| CHANGES IN NET POSITION | 321,948 | 905 | 321,043 |
| Net Position - Beginning of Year | <u>6,231</u> | <u>5,326</u> | <u>905</u> |
| NET POSITION - END OF YEAR | <u>\$ 328,179</u> | <u>\$ 6,231</u> | <u>\$ 321,948</u> |

The District has no capital assets or long-term debt.

Revenues and expenses for the fiscal year ended September 30, 2021 were budgeted in a way to minimize ending net position. However, expenses were less due to a reduction in eligible indigent health care applications within Hardee County. The District does not have a requirement to maintain a certain amount of ending net position since the only program is to provide for the health care of qualified indigent patients residing in Hardee County through the purchase or reimbursement of inpatient, outpatient, and emergency medical services for said indigent patients.

**HARDEE COUNTY INDIGENT HEALTH CARE SPECIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Budgetary Highlights

Budget and actual comparison schedules are provided in the basic financial statements for the General Fund. The budget and actual comparison schedule shows the original adopted budget, the final revised budget, actual results, and variance between final budget and actual results. After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances or unanticipated revenues such as the effects of a lawsuit

Economic Factors and Next Year's Budgets and Rates

Economic factors do not necessarily affect this budget. Indigent Health Care was established by referendum and County Ordinance restricts the amount of ad valorem taxes to be assessed county wide each year; the cap is \$550,000. Therefore, revenues are typically less than the roll back rate each year.

Request for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning budgets or questions related to management of the District's operations should be addressed to:

Hardee County Indigent Health Care Special District
c/o Hardee County Office of Budget and Finance
Janice Williamson, Director of Budget and Finance
412 West Orange Street, Room 204
Wauchula, FL 33873

**HARDEE COUNTY INDIGENT HEALTH CARE SPECIAL DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

ASSETS

| | |
|------|------------|
| Cash | \$ 328,179 |
|------|------------|

LIABILITIES

-

NET POSITION

| | |
|-------------------------------------|-------------------|
| Restricted for Indigent Health Care | <u>\$ 328,179</u> |
|-------------------------------------|-------------------|

See accompanying Notes to Financial Statements.

**HARDEE COUNTY INDIGENT HEALTH CARE SPECIAL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021**

EXPENSES

Human Services:

Administrative Services

\$ 34,560

Indigent Health Care (Net of Refunds of \$45,457)

191,676

Total Expenses

226,236

GENERAL REVENUES

Ad Valorem Taxes

546,694

Interest

105

Miscellaneous

1,385

Total General Revenues

548,184

CHANGE IN NET POSITION

321,948

Net Position - Beginning of Year

6,231

NET POSITION - END OF YEAR

\$ 328,179

See accompanying Notes to Financial Statements.

**HARDEE COUNTY INDIGENT HEALTH CARE SPECIAL DISTRICT
BALANCE SHEET –
GENERAL FUND
SEPTEMBER 30, 2021**

ASSETS

| | |
|------|------------|
| Cash | \$ 328,179 |
|------|------------|

LIABILITIES

| | |
|--|------|
| | \$ - |
|--|------|

FUND BALANCE

| | |
|-------------------------------------|---------|
| Restricted for Indigent Health Care | 328,179 |
|-------------------------------------|---------|

| | |
|------------------------------------|------------|
| Total Liabilities and Fund Balance | \$ 328,179 |
|------------------------------------|------------|

**HARDEE COUNTY INDIGENT HEALTH CARE SPECIAL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Ad Valorem Taxes | \$ 548,933 | \$ 548,933 | \$ 546,694 | \$ (2,239) |
| Interest | 275 | 105 | 105 | - |
| Miscellaneous | 1,000 | 1,385 | 1,385 | - |
| Total Revenues | <u>550,208</u> | <u>550,423</u> | <u>548,184</u> | <u>(2,239)</u> |
| EXPENDITURES | | | | |
| Human Services: | | | | |
| Administrative Services | 35,560 | 35,050 | 34,560 | 490 |
| Indigent Health Care (Net of Refunds of \$45,457) | 487,202 | 492,927 | 191,676 | 301,251 |
| Total Expenditures | <u>522,762</u> | <u>527,977</u> | <u>226,236</u> | <u>301,741</u> |
| NET CHANGE IN FUND BALANCE | 27,446 | 22,446 | 321,948 | 299,502 |
| Fund Balance - Beginning of Year | <u>5,000</u> | <u>5,000</u> | <u>6,231</u> | <u>1,231</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 32,446</u> | <u>\$ 27,446</u> | <u>\$ 328,179</u> | <u>\$ 300,733</u> |

See accompanying Notes to Financial Statements.

**HARDEE COUNTY INDIGENT HEALTH CARE SPECIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Hardee County Indigent Health Care Special District (District) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

Reporting Entity

The District is an independent special district established by Hardee County, Florida (County) Ordinance 93-03 pursuant to Section 154.331, Florida Statutes. The District was created pursuant to a majority vote of the electors of the County for the purpose of providing indigent health care services in the County. The District is authorized to levy an ad valorem tax not to exceed one mill on real property within the County. Furthermore, the Hardee County Board of County Commissioners (BOCC) has deemed that it would be in the best interest of the taxpayers of the County to cap the amount of revenue to be received from the one mill tax at \$550,000.

The District Board consists of five members. Two members are appointed to the District Board by the Governor of the state of Florida, and three members are appointed by the BOCC. Quorum of the District Board is at least three members, two of which are BOCC appointees. The District's financial statements include only the funds of the District. There are no separate legal entities (component units) for which the District is considered to be financially accountable.

Basis of Presentation, Basis of Accounting, and Measurement Focus

The District complies with accounting standards established by the Governmental Accounting Standards Board (GASB). The District has implemented GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and a statement of activities. The District reports only governmental activities; it does not have any business-type activities.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues consist of grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Other items not properly included as program revenues are reported as general revenues.

**HARDEE COUNTY INDIGENT HEALTH CARE SPECIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

Governmental fund financial statements are reported using the financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The District is a single program government, devoted to indigent health care. It is comprised of a General Fund only and has no other governmental, proprietary, or fiduciary funds. The General Fund is the general operating fund and accounts for all the resources of the District.

The District has implemented government accounting standards statement on GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires governments to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. The fund balance in the General Fund is appropriately classified as restricted fund balance to be used specifically for the purpose of funding indigent health care services. When an expenditure is incurred in which restricted, committed, assigned, or unassigned amounts are available to be used, the District will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

Budgetary Requirements

The procedures for adoption of the District's annual budget include providing the BOCC with the adopted budget and final millage rate no later than the time of adoption of the County's annual budget.

The budget of the District, so certified and delivered to the BOCC, may not be changed or modified by the BOCC or by any other authority.

The budget was prepared on a basis consistent with generally accepted accounting principles and was based upon the final amended budget of the District. Florida Statutes state that it is unlawful for expenditures to exceed appropriations. For the year ended September 30, 2021, actual expenditures did not exceed budgeted expenditures.

Property Taxes

Under the laws of the state of Florida, the assessment of all properties and the collection of all ad valorem property taxes are consolidated in the offices of the Hardee County, Florida Property Appraiser and Hardee County, Florida Tax Collector.

**HARDEE COUNTY INDIGENT HEALTH CARE SPECIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. County Ordinance 93-03 permits the District to levy property taxes at a rate of up to one mill for District operations. The tax levy rate for operations of the District for the year ended September 30, 2021 was .3287 mills.

The tax levy of the District is established by the District Board prior to October 1 of each year and the Hardee County, Florida Property Appraiser incorporates the District millage into the total tax levy, which includes the BOCC, the various municipalities, the Hardee County school board, and other taxing authorities.

All property is assessed according to its fair market value January 1 of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes become payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. Taxes paid in March are without discount.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

NOTE 2 CASH

At September 30, 2021, the District's carrying amount was \$328,179 and bank balance was \$328,179, consisting entirely of demand deposits. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial Credit Risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The District's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the District's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, and Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the District has no policy on custodial credit risk.

**HARDEE COUNTY INDIGENT HEALTH CARE SPECIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CASH (CONTINUED)

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

NOTE 3 REFUNDS

During the current year, the District received refunds of health care services of \$45,457. Refunds are generated when patients are determined to be Medicaid eligible and the service provider subsequently receives payment from Medicaid. The amounts are netted with the Indigent Health Care expenditures because the expenditure would not have been incurred if the patient were determined Medicaid eligible at the date of the billing.

NOTE 4 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of assets, errors and omissions, and natural disasters. The District provides surety bond coverage and is self-insured for other risks of loss. There were no losses reported for the years ended September 30, 2021, 2020, and 2019.

NOTE 5 SERVICES PROVIDED BY THE HARDEE COUNTY BOARD OF COUNTY COMMISSIONERS

The District's accounting function is provided by the Hardee County Board of County Commissioners. If these services were no longer provided by the Hardee County Board of County Commissioners, the District would have to incur additional expenses.



**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**

Members of the District Board
Hardee County Indigent Health Care Special District
Hardee 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 and the General Fund of the Hardee County Indigent Health Care Special District (District), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 14, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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.

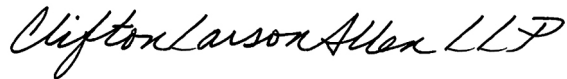
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 or other matters that are required to be reported under *Government Auditing Standards*.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
January 14, 2022



MANAGEMENT LETTER

Members of the District Board
Hardee County Indigent Health Care Special District
Hardee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hardee County Indigent Health Care Special District (District), Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated January 14, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our 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* 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, which are dated January 14, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in the notes to the financial statements.

Financial Management

Sections 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 District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District 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 for the District. It is management’s responsibility to monitor the District’s financial condition, and our financial condition assessment was based in part on representations made by management and 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 did not have any such recommendations.

Special District Component Units

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported (We do not express an opinion or provide any assurance on the following information):

- a. The total number of district employees compensated in the last pay period of the district’s fiscal year as: None.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district’s fiscal year as: None
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as: None
- 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.
- 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: See page 9 of the financial statements.

Special District Component Units (Continued)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported (We do not express an opinion or provide any assurance on the following information):

- a. The mileage rate or rates imposed by the district as 0.3287 mills.
- b. The total amount of ad valorem taxes collected by or on behalf of the district as \$546,694.
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds as zero.

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 which 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, the Members of the District Board, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Sebring, Florida
January 14, 2022



INDEPENDENT ACCOUNTANTS' REPORT

The Indigent Health Care Special District Board
Hardee County Indigent Health Care Special District
and the Florida Auditor General
Hardee County, Florida

We have examined the Hardee County Indigent Health Care Special District's (District) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District'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 District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021.

This report is intended solely for the information and use of the District and the Auditor General, state of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
January 14, 2022