AN AUDIT OF THE:

Indigent Health Care Surtax Trust Fund 2024-2025

COUNTY AUDIT DEPARTMENT

REPORT #451

8/14/2026

VICTOR D. CRIST

CLERK OF CIRCUIT COURT & COMPTROLLER
HILLSBOROUGH COUNTY, FL

EXCELLENCE IN SERVICE!

Executive Summary

Why We Did This Audit

This audit was part of the Fiscal Year 2025 and 2026 annual audit plans and is completed on a biennial basis as required by Florida Statute 212.055(4) which governs the County's half-cent indigent health care surtax. This statute requires that the Clerk of Court & Comptroller perform an audit of the trust fund and deliver an audit report to the governing body (the Board of County Commissioners) and the chair of the legislative delegation for Hillsborough County.

What We Did

The Audit Team reviewed financial data and transactions for appropriateness and compliance with the state statute for Fiscal Years 2024 and 2025 ending September 30, 2024, and September 30, 2025, respectively. Tests were performed to review samples of invoice expenditures, journal entries, bank statements, and revenue postings to identify any inconsistencies, inaccuracies, unusual account fluctuations, or expenditures not allowed by the statute.

What We Found

STRENGTHS AND SUCCESSES

- ✓ Sufficient supporting documentation was retained.
- ✓ Appropriate mechanisms are in place for monitoring and tracking the Surtax Trust Fund revenues and expenditures.
- ✓ An electronic data warehouse is used for monitoring medical claims.

IMPROVEMENT OPPORTUNITIES/RISKS

- ✓ The Audit Team did not identify any opportunities/risks concerns during this audit.

What We Recommend

The Audit Team did not identify any material concerns that required management's corrective actions.

Table of Contents

VICTOR D. CRIST
CLERK OF CIRCUIT COURT & COMPTROLLER
HILLSBOROUGH COUNTY, FL

The Honorable Ken Hagan, Chair
The Honorable Chris Boles
The Honorable Donna Cameron Cepeda
The Honorable Harry Cohen
The Honorable Christine Miller
The Honorable Gwen Myers
The Honorable Joshua Wostal

August 14, 2026

Dear Commissioners:

The Audit Team conducted an audit of the Indigent Health Care Surtax Trust Fund 2024-2025 (**Audit Report #451, dated August 14, 2026**). Responses to the Audit Team's recommendations were received from the Director of the Health Care Services Department and have been included in the Report after each audit comment and recommendation.

The purpose of this Report is to furnish management with an independent, objective analysis, and information concerning the activities reviewed. It is not an appraisal or rating of management.

Although the Audit Team exercised due professional care in the performance of this audit, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud or abuse will be detected.

I appreciate this opportunity to be of service to the Board of County Commissioners. I am happy to address any questions that you may have or furnish additional information if desired.

Sincerely,

Heidi Pinner
Heidi Pinner, CIA CISA CFE CRMA
Chief Audit Executive, Clerk of Court & Comptroller

Objective

The primary objective of the audit is to review and evaluate the effectiveness of management's system of internal control related to the Surtax Trust Fund. Specifically, the County Audit Department determined whether:

- The Indigent Health Care Surtax Trust Fund revenue recorded in the County's general ledger agreed with the Department of Revenue's public payment reports and the County's corresponding bank statements.
- The Hillsborough County Indigent Health Care Surtax Trust Fund receives tax revenue amounts from the State of Florida that are similar to the amounts received from the Community Investment Tax (CIT).
- Funds from the Indigent Health Care Surtax Trust Fund were used to reimburse the expenditures for the County's Indigent Health Care Services (operations) Fund.
- The expenditures from the County's Indigent Health Care Operations Fund appeared appropriate for the objective of providing healthcare services to indigent citizens of Hillsborough County.
- Hillsborough County is in compliance with Florida Statute 212.055(4)(a)5.c. that requires the County to pay either $6.5 million to a Level I trauma center or to pay only $3.5 million if the County enacts a hospital lien law.

Scope & Methodology

The audit was conducted in accordance with the *Global Internal Audit Standards*. These standards require that County Audit plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the audit comments and conclusions based on the audit objectives. County Audit believes that the evidence obtained provides a reasonable basis for the audit comments and conclusions based on the audit objectives.

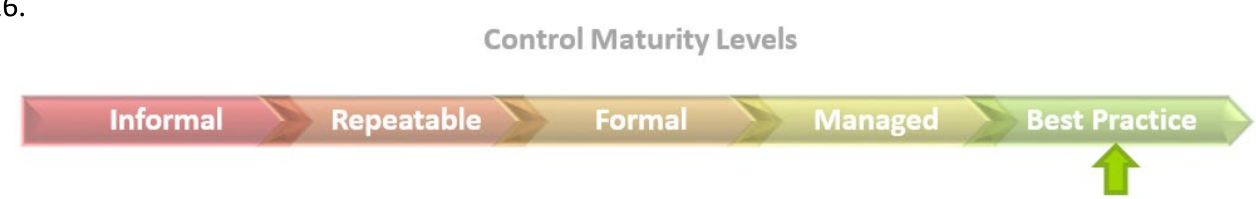
The audit period covered fiscal years 2024 and 2025 ending September 30, 2024 and September 30, 2025, respectively. Audit procedures consisted primarily of confirmations of surtax revenue with the State, an analysis of account fluctuations, a limited review of reasonableness of expenditures, a review of County Ordinances, and inquiries of management.

Hillsborough County's independent external certified public accountants audited the County's annual financial statements. The external auditors did not identify any material concerns related to the Surtax Trust Fund of Hillsborough County during fiscal years 2024 and 2025.

Overall Opinion

The overall control environment relative to the management of the Indigent Healthcare Surtax Trust Fund is at a best practice maturity level. This rating indicates that management has robust, proactive controls and monitoring techniques employed to measure success with a strong assessment of operating effectiveness of contracted vendors. Management has established mechanisms to ensure compliance with Florida Statute 212.055(4).

An exit conference was not held due to there being no recommendations for corrective action. Instead, the report was shared with the Health Care Services Department and County Leadership on August 10, 2026.



Other minor concerns not included in this Report were communicated to management and/or corrected during fieldwork.

Background

In 1991, Hillsborough County enacted a half-cent sales surtax to fund the County's Health Care Plan for indigent residents. The Surtax remains the property of the State. It is distributed by the Department of Revenue on a regular and periodic basis to the Clerk of the Circuit Court. The fund established by the Clerk is called the State of Florida Health Care Surtax Trust Fund. The Fund is controlled by the Clerk's County Finance Department. The Clerk is the ex officio custodian of the surtax for Hillsborough County. The Clerk is responsible for maintaining the surtax revenue in a trust fund, investing the money, and disbursing the money to the health care plan based upon the County's directives. Disbursements from the Fund are based on expenditures in the County's Indigent Health Care Services Fund - the Health Care Plan.

In 2001, the County enacted and implemented a hospital lien law. As a result, $3.5 million is paid annually to Tampa General Hospital in recognition for being the County's Level 1 trauma center.

In 2003, the Legislature of the State of Florida enacted a requirement that the Clerk prepare, on a biennial basis, an audit of the State of Florida Health Care Surtax Trust Fund commencing February 1, 2004. The audit is to be delivered to the Board of County Commissioners and the chair of the Hillsborough County Legislative Delegation.

Appendix A to this report illustrates the Balance Sheets and Statements of Revenues, Expenditures, and Changes in Fund Balances for fiscal years ended September 30, 2024 and 2025.

Accuracy of Revenue Postings

WHAT YOU SHOULD KNOW

- Indigent Health Care Surtax revenues received by Hillsborough County are accurately recorded in the general ledger.

TEST OBJECTIVES

This audit test objective was to determine whether the Indigent Health Care Surtax Trust Fund revenue recorded in the County's general ledger agrees with the Department of Revenue's public payment reports and the County's corresponding bank statements.

SALES TAX & SURTAX

Businesses in Florida must remit a 6.0 % sales tax to the State of Florida. Each individual County may elect to add its own additional discretionary taxes above the 6.0 % known as surtaxes. The total sales tax in Hillsborough County is composed of:

•6.0 % state sales tax;
•0.5 % Community Investment Tax (CIT);
•0.5 % Indigent Healthcare/Trauma Center Tax; and
•0.5% School Capital Outlay Surtax.

The additional 1.5% sales taxes are discretionary surtaxes specific to Hillsborough County. There is also a Local Government 1/2 Cent Sales Tax revenue that the County receives from the State of Florida that is not discretionary and is a part of the 6.0 % state sales tax. Each month and each quarter, the State of Florida pays Hillsborough County the Indigent Healthcare/Trauma Center Tax proceeds, which the County records into the general ledger. These payments are deposited into a County-owned bank account and are publicly viewable on a state government website called Florida Accounting Information Resource (FLAIR).

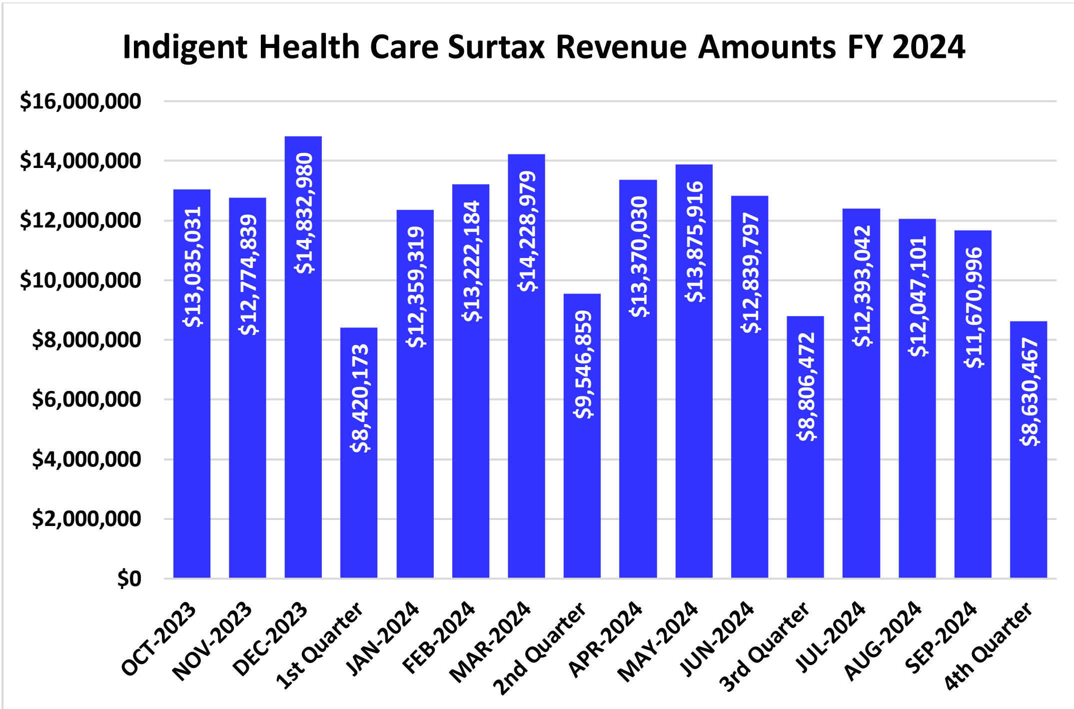
THE AUDIT METHODOLOGY

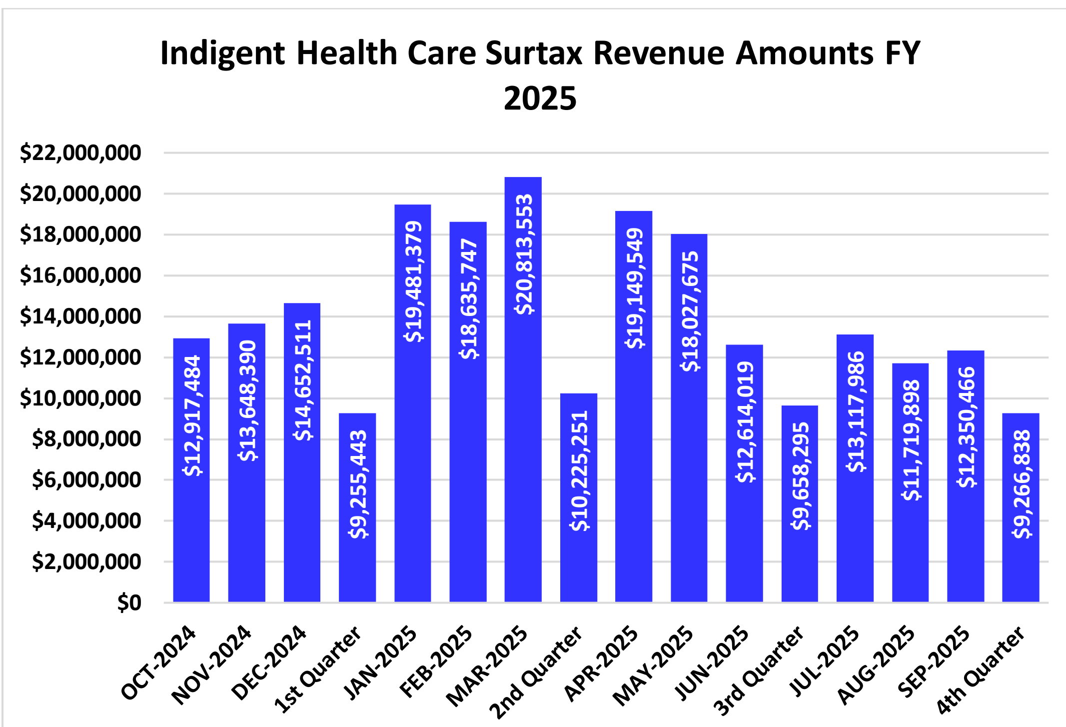
Audit test procedures included:

- Reviewing the monthly and quarterly payments on FLAIR.
- Comparing the amounts to what was posted to the general ledger.
- Comparing the amounts to what was showing on the bank statements.

TESTING RESULTS

The revenues received from the State of Florida were accurately recorded for each month and quarter tested. The specific revenue amounts for both fiscal years are shown in the following graphs:





RECOMMENDATIONS

The Audit Team did not identify any material concerns that require management's corrective actions.

Community Investment Tax (CIT) Comparison

WHAT YOU SHOULD KNOW

- The Indigent Health Care Surtax revenue amounts are similar to the amounts received from the Community Investment Tax (CIT).

TEST OBJECTIVES

This audit test objective was to determine whether the Hillsborough County Indigent Health Care Surtax Trust Fund receives tax revenue amounts from the State of Florida that are similar to the amounts received from the Community Investment Tax.

STATE OF FLORIDA PAYMENTS

Each month and each quarter, the State of Florida makes three separate payments to Hillsborough County for three taxes:

- the Indigent Healthcare Surtax;
- the Community Investment Tax (CIT); and
- the Local Government 1/2 Cent Sales Tax (not quarterly)

The payments are each a portion of the 7.5% sales tax charged in Hillsborough County for taxable goods and services. Payments received from the State for the Indigent Healthcare and CIT taxes are traditionally close in amount each month. Any significant difference in the payments could indicate an improper payment amount was received from the State.

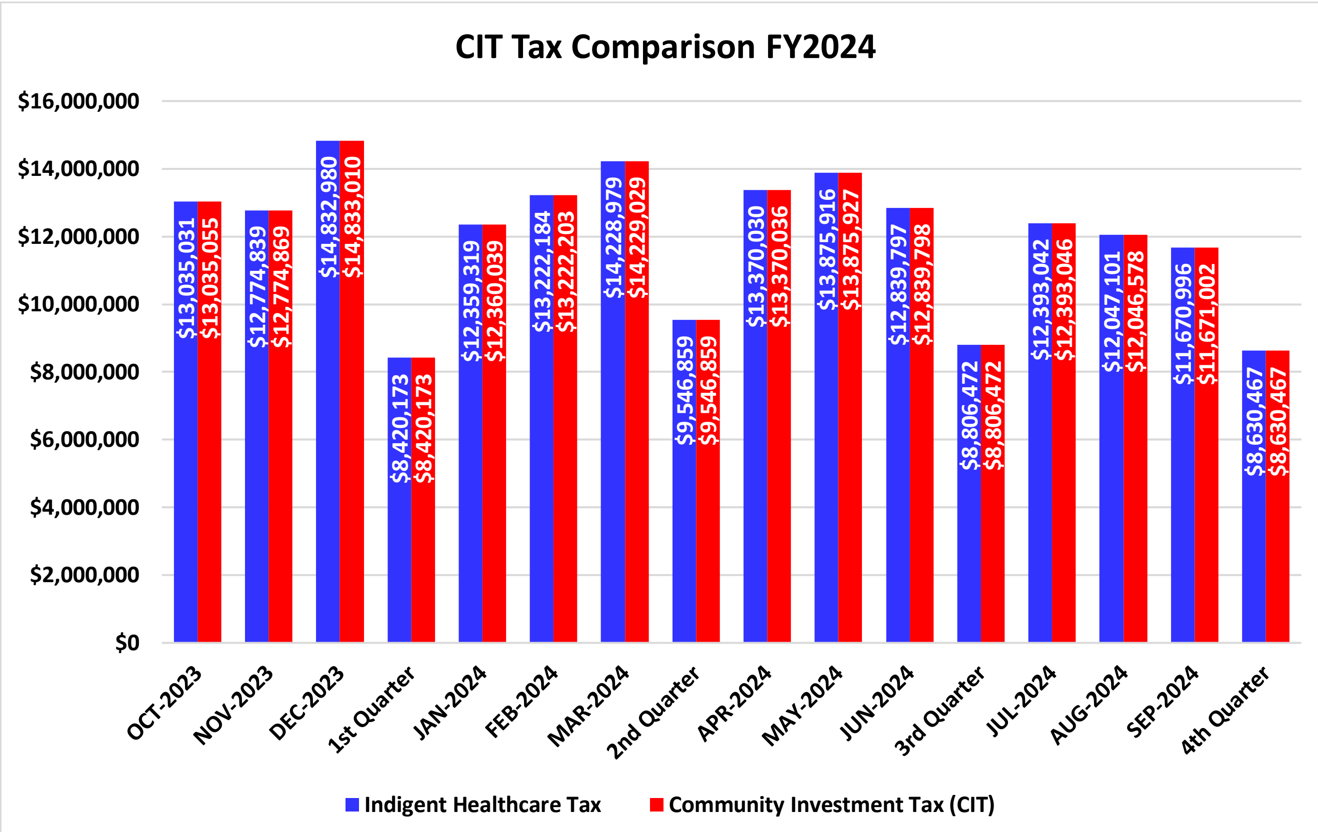
THE AUDIT METHODOLOGY

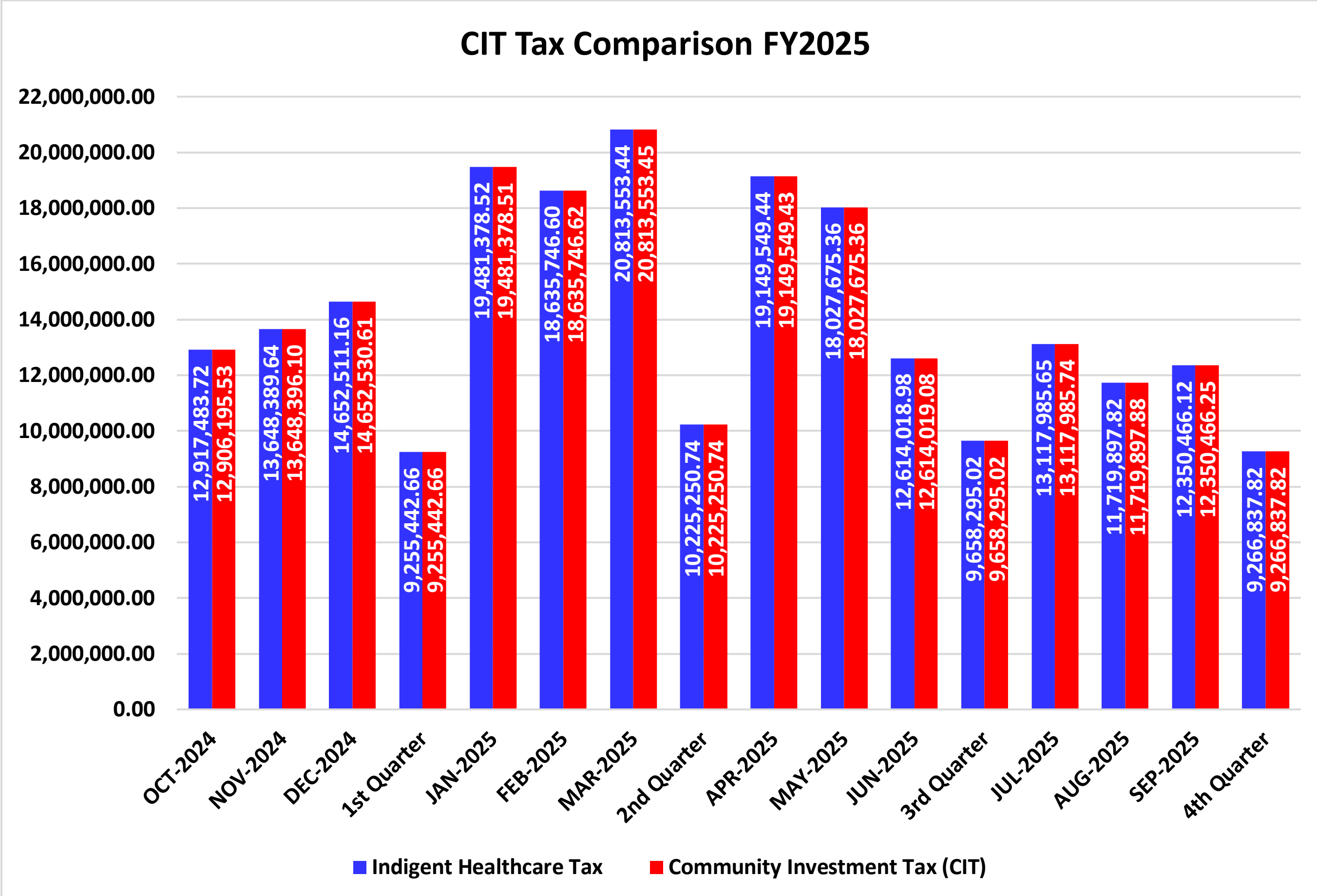
Audit test procedures included:

- Reviewing the County's monthly and quarterly journal entry postings to the general ledger for the Indigent Healthcare and CIT tax revenues.
- Performed a comparison of the dollar amounts for each month and quarter to identify any material differences.
- Determined the cause of any discrepancies noted.

TESTING RESULTS

No material differences were noted for the 32 journal entries reviewed (12 months and 4 quarters for each fiscal year). A comparison of the CIT and Indigent Health Care Surtax revenue amounts for both fiscal years are shown in the following graphs:





RECOMMENDATIONS

The Audit Team did not identify any material concerns that require management's corrective actions.

Trust Fund Expenditure Reimbursement

WHAT YOU SHOULD KNOW

- Expenditures in the County’s Indigent Health Care Services (operations) Fund were reimbursed by the Indigent Health Care Surtax Trust Fund.

TEST OBJECTIVES

This audit test objective was to determine whether expenditures in the Indigent Health Care Surtax Trust Fund were used to reimburse the expenditures for the County’s Indigent Health Care Services (operations) Fund.

THE PROCESS

Two funds in the County’s general ledger are used to record transactions for the County’s Indigent Healthcare Surtax program: the Indigent Health Care Surtax Trust Fund and the Indigent Health Care Services (operations) Fund. The operations fund is for expenditures of healthcare related costs in the program. The Trust Fund is used for recording tax revenues received by the County. The operations fund needs occasional replenishing from the Trust Fund to cover the expenditures. Periodic journal entries are posted to move funds from the Trust Fund into the operations fund as a reimbursement.

THE AUDIT METHODOLOGY

The Audit Team compared all fiscal year 2024 and 2025 transaction totals to ensure that the amount coming out of the Trust Fund was equal to the amount going into the operations fund as a replenishment.

TESTING RESULTS

Funds from the Indigent Health Care Surtax Trust Fund were used to reimburse the expenditures for the County’s Indigent Health Care Services (operations) Fund. Funding amounts being moved out of the Trust Fund were recorded as an expenditure in the Trust Fund and as a revenue into the operations fund. In FY 2024, the amount transferred was $140,333,589.94 and in FY 2025, the amount transferred was $216,364,442.75.

RECOMMENDATIONS

The Audit Team did not identify any material concerns that require management's corrective actions.

Appropriateness of Expenditures

WHAT YOU SHOULD KNOW

- Expenditures from the County's Indigent Health Care Services (operations) Fund appear appropriate.

TEST OBJECTIVES

The objective was to determine whether the expenditures from the County's Indigent Operations Fund were appropriate for the purpose of providing healthcare services to indigent citizens of Hillsborough County.

THE PROCESS

The Indigent Health Care program is administered by the Hillsborough County Health Care Services Department. Funds from the Indigent Health Care Surtax are used by Health Care Services to pay for medical expenses of qualified indigent citizens of Hillsborough County. The funds are also used to cover administrative expenses of the program.

Florida State Statute 212.055(4) has broad language regarding what the Indigent Healthcare Surtax funds may be spent on. The statute includes the statement that the plan "...shall fund a broad range of health care services for both indigent persons and the medically poor..." and "...it shall include, without limitation, services rendered by physicians, clinics, community hospitals, mental health centers, and alternative delivery sites, as well as at least one regional referral hospital where appropriate."

THE AUDIT METHODOLOGY

The Audit Team identified all expenditures and journal entries that were recorded in the operations fund for the Fiscal Years 2024 and 2025. Based on the population of total checks paid, expenditures for FY2024 and FY2025 totaled $121,809,437.29 and $201,313,142.81, respectively. From this population, the Audit Team judgmentally selected a sample of expenditures for further review based on:

- Vendors that have unusual-looking business names with respect to providing healthcare;
- High transaction dollar amounts;
- High total annual expenditures with the same vendor; and
- Journal entries over $100,000.

For each of the transactions in the sample, the Audit Team reviewed backup documents such as vendor invoices and journal entry files for appropriateness. The Audit Team made inquiries with Hillsborough County Health Care Services to obtain additional clarification or justification for expenditures, as needed.

TESTING RESULTS

The Audit Team used the requirements in Florida State Statute 212.055(4) to determine whether the sample of expenditures and journal entries reviewed were appropriate. The sample invoices and journal entries reviewed appear to be appropriate for the Indigent Healthcare program.

RECOMMENDATIONS

The Audit Team did not identify any material concerns that require management's corrective actions.

Level I Trauma Center Payment

WHAT YOU SHOULD KNOW

- Hillsborough County has complied with the requirement to provide an annual payment of $3.5 million to a Level I trauma center.

TEST OBJECTIVES

This audit test objective was to determine whether Hillsborough County is in compliance with Florida Statute 212.055(4) that requires the County to pay either $6.5 million to a Level I trauma center or to pay only $3.5 million if the County enacts a hospital lien law.

THE PROCESS

The Hillsborough County Board of County Commissioners (BOCC) adopted a hospital lien law via Hillsborough County Ordinance 01-24 on September 5, 2001. The ordinance allows hospitals in Hillsborough County to make a claim against lawsuits, settlements, or insurance payments to ensure the hospital is paid for providing treatment to a patient. Passing a hospital lien law allows Hillsborough County to pay $3.5 million to a Level I trauma center instead of $6.5 million, per Florida Statute 212.055(4)(a)5.c.

THE AUDIT METHODOLOGY

The Audit Team verified with the BOCC Records Department of the Hillsborough County Clerk of Court & Comptroller that Ordinance 01-24 is still in effect and has had no amendments. The Audit Team then reviewed the general ledger entries and backup documentation to determine whether or not the County made a payment of $3.5 million to a Level I trauma center in both Fiscal Years 2024 and 2025.

TESTING RESULTS

The Audit Team found journal entries, bank statements, and wire transfer documents showing that the County made $3.5 million in payments in each fiscal year to Tampa General Hospital. The Audit Team also confirmed that Tampa General Hospital is a Level I trauma center via a statewide trauma center listing on the Florida Department of Health website. Therefore, the County is in compliance with Florida Statute 212.055(4) for Fiscal Years 2024 and 2025.

RECOMMENDATIONS

The Audit Team did not identify any material concerns that require management's corrective actions.

APPENDIX A

State of Florida Health Care Surtax Trust Fund
Balance Sheets
September 30, 2024 and 2025

	2024	2025
ASSETS		
Current assets:		
Cash equity	$ 448,268,285	$ 477,657,593
Due from State of Florida	32,348,564	33,337,202
Total assets	480,616,850	510,994,795
FUND BALANCES		
Restricted for:		
Hillsborough Healthcare	480,616,850	510,994,795
Total fund balance	$ 480,616,850	$ 510,994,795

Statements of Revenues, Expenditures, and Changes in Fund Balances
For Fiscal Years Ended September 30, 2024 and 2025

	2024	2025
Revenues		
Taxes - discretionary sales surtaxes	$ 192,054,187	$ 225,534,483
Interest	18,825,302	22,266,436
Change In Investments Fair Value	5,163,613	(1,058,531)
Total revenues	216,043,102	246,742,388
Other financing sources (uses):		
Transfers out	$ (140,333,590)	$ (216,364,443)
Total other financing sources (uses)	(140,333,590)	(216,364,443)
Net change in fund balance	75,709,512	30,377,945
Fund balance, beginning of year	404,907,338	480,616,850
Fund balance, end of year	$ 480,616,850	$ 510,994,795

NOTE: Some dollar figures may have a $1 rounding error.

THE AUDIT TEAM WOULD LIKE TO EXTEND ITS SINCERE APPRECIATION TO THE HEALTH CARE SERVICES DEPARTMENT.

WE WERE MET WITH PROFESSIONALISM AND COOPERATION THROUGHOUT THE AUDIT PROCESS.

Audit Team

CHIEF AUDIT EXECUTIVE

HEIDI PINNER
MBA, CIA, CFE, CISA, CRMA

813.307.7000
HEIDI.PINNER@HILLSCLERK.COM

AUDIT MANAGER

BEN EVERETT
MBA, CPA, CIA, CFE, CISA

813.307.7003
BENJAMIN.EVERETT@HILLSCLERK.COM

INTERNAL AUDITOR

LOVONIA SCOTT
CGAP

813.307.7149
SCOTT@HILLSCLERK.COM

COPIES OF AUDIT REPORTS ARE AVAILABLE ON THE WEB

www.hillsclerk.com/records-and-reports/county-audit-reports

CLERK OF CIRCUIT COURT & COMPTROLLER HILLSBOROUGH COUNTY, FL

VICTOR D. CRIST

CLERK OF CIRCUIT COURT & COMPTROLLER
HILLSBOROUGH COUNTY, FL

EXCELLENCE IN SERVICE!