

COLLIER, JOHNSON & WOODS, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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October 7, 2019

To the Board of Managers of the
Nueces County Hospital District
Corpus Christi, Texas

We are engaged to audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nueces County Hospital District for the year ended September 30, 2019. Professional standards require that we provide you with following information related to our audit. We would also appreciate the opportunity to meet with you to discuss the information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated October 7, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the Management's Discussion and Analysis, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express and opinion or provide any assurance, we will not express an opinion or provide any assurance on RSI.

We have been engaged to report on the Budget Comparisons, which accompany the financial statements but are not RSI. Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws of governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit in November 2019 and issue our report no later than January 2020. Brigid W. Cook is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the Finance Committee and management of Nueces County Hospital District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

COLLIER, JOHNSON & WOODS
A Professional Corporation

Brigid W Cook

Brigid W. Cook, CPA
Shareholder

RESPONSE:

This letter correctly sets forth the understanding of the Nueces County Hospital District.

Signed by: *John Martin*
Title: *Board Chair*

