

**CLIENT SERVICE AUDIT PLAN
FISCAL YEAR ENDING APRIL 30, 2023**

**SOUTH BROWARD HOSPITAL DISTRICT
D/B/A MEMORIAL HEALTHCARE SYSTEM**

January 16, 2023



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January 16, 2023

The Audit and Compliance Committee of the Board of Commissioners
South Broward Hospital District d/b/a Memorial Healthcare System
Hollywood, Florida

On behalf of RSM US LLP (RSM), we are pleased to submit our fiscal year 2023 client service audit plan for Memorial Healthcare System (the System). This report outlines our proposed audit delivery plan for the System, our client service team, key risks, overall audit approach, service deliverables, timelines and other matters.

This plan has been developed to provide the System with an efficient, high-quality audit that addresses key risks and business issues within the System. This service plan will be monitored throughout the year to ensure that we meet your expectations and address key audit, business and industry risks as they arise.

We thank you for the opportunity to serve the System. We value our relationship and look forward to providing you with a quality audit. We look forward to meeting with you to present this report, address any questions you may have, and to discuss any other matters that are of interest to the Audit and Compliance Committee of the Board of Commissioners and management.

Sincerely,

RSM US LLP

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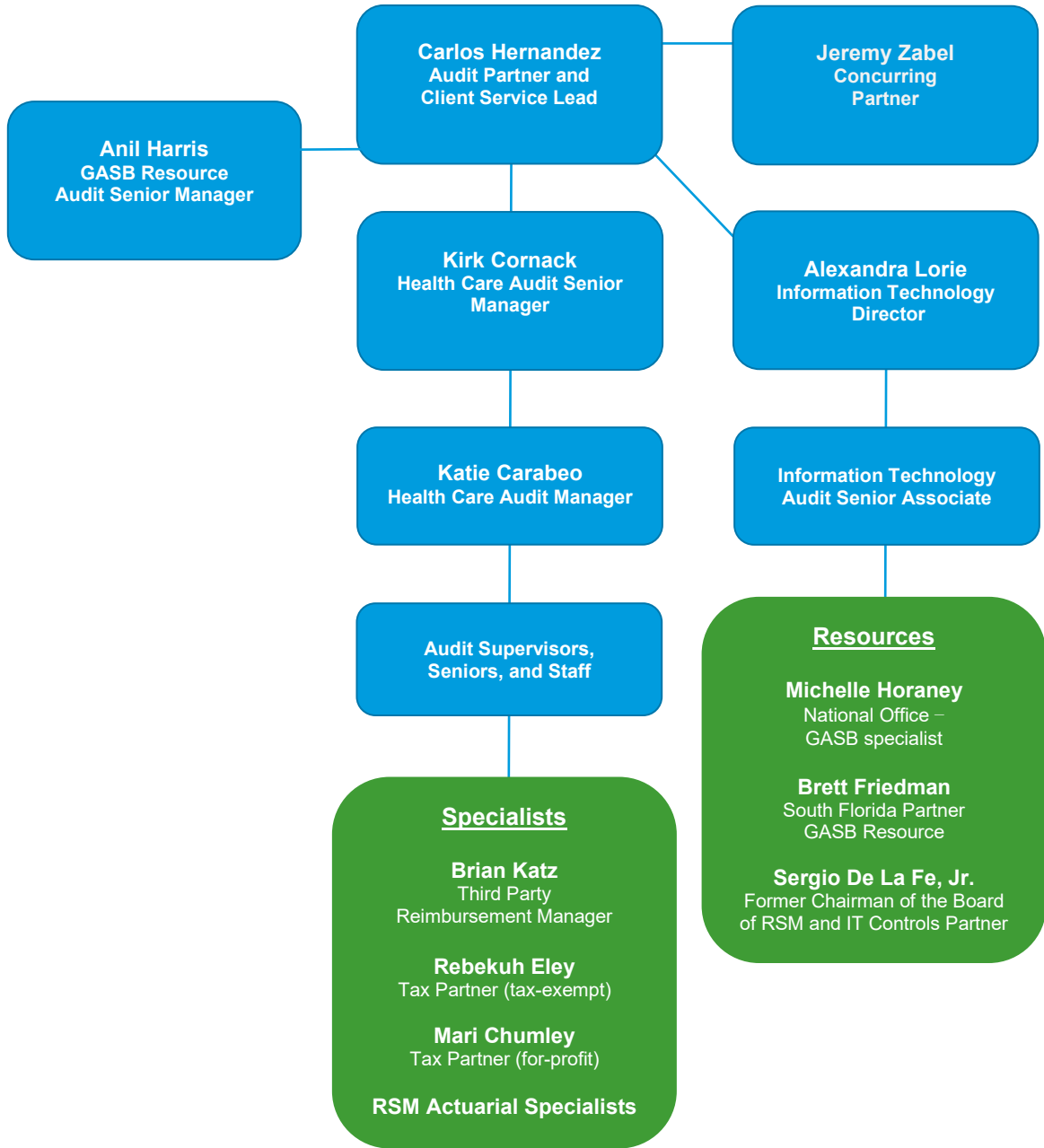
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Client Service Team

Memorial Healthcare System



Scope of Services

Audit and audit-related services
Audit of the Consolidated Financial Statements for the System for the year ending April 30, 2023
Management Letter Comments and Recommendations to Improve Controls and Procedures, if applicable
Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with <i>Government Auditing Standards (GAS)</i>
Communications of Significant Deficiencies and Material Weaknesses, if applicable
Report on Net Income Available for Debt Service and the Long-Term Debt Service Coverage (including supporting schedules)
Report to the Board of Commissioners after completion of the System’s Audit
Investment Compliance Letter in accordance with Florida Statute, Section 218.415
Management Letter in accordance with the Rules of the Auditor General of the State of Florida
Other services
<ul style="list-style-type: none"> • Tax assistance and review
<ul style="list-style-type: none"> • We are the auditors for Florida Community Health Network Corp., Memorial Foundation, Inc. and Joe DiMaggio Children’s Hospital Foundation, Inc.
<ul style="list-style-type: none"> • Provide assistance in connection with the implementation of GASB Statement No. 87, <i>Leases</i>. Effective Date: The requirements of the statement are effective for reporting periods beginning after June 15, 2021 (the System’s April 30, 2023 financial statements).
All services have been analyzed to ensure that RSM has maintained independence in accordance with AICPA and GAS standards throughout the service period.

Risk Areas and Summary Audit Procedures

Risk Area	Summary Audit Procedures
Patient accounts receivable and net patient service revenue, including allowances (**)	<ul style="list-style-type: none"> • Gain an understanding of the patient accounting system and test the integrity of billing and collection information into the Revenue Cycle Analytics tool. • Assess adequacy of current allowance methodologies. • Review historical results used in calculating allowances for contractual adjustments and doubtful accounts. • Perform substantive testing on a selected sample of patient balances and on patient billings. • Test subsequent cash receipts and credits. • Perform detailed analytical analysis.
Accounting for the revenues received from the Directed Payment Program (DPP)	<ul style="list-style-type: none"> • Test compliance with eligibility requirements for the DPP. • Perform substantive test work to address risks of improper revenue recognition related to the DPP. • Test occurrence, accuracy, cutoff and classification assertions.
Investments	<ul style="list-style-type: none"> • Confirm investment balances with custodian(s). • For alternative investments, review and consider results of audit reports and independently test the fair value of alternative investments. • Test fair values by obtaining fair values from an independent pricing service. • Test investment classification levels and detail transactions. • Perform analytical procedures to test investment income. • Review and test presentation and disclosure of investment balances and related investment income in the footnotes and consolidated financial statements.
Third-party payor settlements and valuation allowances	<ul style="list-style-type: none"> • Review filed, revised and settled cost reports and other payor contracts. • Review historical results of reserving methodology. • Test underlying data to support liability calculations. • Gain an understanding of outstanding compliance-related matters and other areas that may require specific valuation allowances.
Accounting for the Provider Reimbursement Review Board Decision in Florida Section 1115 DSH Waiver Days Groups (**)	<ul style="list-style-type: none"> • Review status of case proceedings. • Obtain management's estimation of reimbursement. • Assess reasonableness of reserve level, if applicable.
Capital assets, including construction in progress	<ul style="list-style-type: none"> • Test the capitalization of new projects. • Test a sample of additions and disposals. • Test depreciation expense for reasonableness. • Review construction in progress for proper recording and disclosure, including commitments.

Risk Area	Summary Audit Procedures
Long-term debt, including compliance	<ul style="list-style-type: none"> • Confirm outstanding balances. • Test interest expense by reviewing debt agreements/documents and performing analytical procedures. • Evaluate compliance with debt covenants. • Read the master trust indentures, official statements and other significant debt agreements.
Self-insured liabilities, including medical malpractice and workers' compensation (**)	<ul style="list-style-type: none"> • Assess adequacy of current reserving methodologies. • Assess independence and competence of actuaries and their methodology. • Test data sent to actuaries for accuracy and completeness. • Review of the medical malpractice actuarial firm's (engaged by management) methodologies by RSM's specialists. • Confirm with legal counsel as to status of open claims and estimates of settlements.
Pension plan and other post-employment benefits (**)	<ul style="list-style-type: none"> • Assess the propriety of the accounting and related disclosures. • Assess adequacy of current reserving methodologies. • Assess independence and competence of actuaries and their methodology. • Test data sent to actuaries for accuracy and completeness. • Review of the pension actuarial firm's (engaged by management) methodologies by RSM's specialists.
Commitments and contingencies	<ul style="list-style-type: none"> • Review status of litigation with management and internal and external legal counsel. • Confirm significant litigation, claims and assessments with internal and external legal counsel. • Review Board minutes. • Assess reasonableness of reserve level, if applicable.
Operating expenses	<ul style="list-style-type: none"> • Perform analytical procedures and substantive test work to address risks. • Test occurrence, accuracy, cutoff and classification assertions.
Revenue recognition (**)	<ul style="list-style-type: none"> • Perform analytical procedures and substantive testing of patient revenue and other sources of revenue. • Test occurrence, accuracy, cutoff and classification assertions.
Management of the Coronavirus Aid, Relief and Economic Security (CARES) Act funding and revenue recognition (**)	<ul style="list-style-type: none"> • Gain an understanding of internal control policies and procedures relevant to the management of CARES Act funding. • Test compliance with eligibility requirements for various CARES Act funding programs. • Perform substantive test work to address risks of improper revenue recognition related to this revenue source. • Test propriety of costs and lost revenues being submitted for reimbursement under the program. • Test occurrence, accuracy, cutoff and classification assertions.

Risk Area	Summary Audit Procedures
Management override of controls and Internal control documentation and testing (**)	<ul style="list-style-type: none"> • Gain an understanding of internal control policies and procedures that are likely to prevent, or detect and correct, material misstatement of financial statements. • Design and perform tests of controls to evaluate the operating effectiveness of those policies and procedures. • Test a sample of journal entry transactions for propriety.
Information system general computer controls	<ul style="list-style-type: none"> • Assess and test information system controls relevant to financial reporting. Activities consist of the procedures (manual or automated) and records established to initiate, authorize, record, process and report entity transactions, events and conditions, and to maintain accountability for the related assets, liabilities and equity.
Financial statement close process, including disclosures	<ul style="list-style-type: none"> • Review management's disclosure checklist for completeness. • Gain an understanding of the financial statement close process and review financial statements and significant disclosures.
Related party transactions	<ul style="list-style-type: none"> • Review and test transactions with related parties and consider need for financial statement disclosure. • Assess the propriety and accounting treatment for related party transactions.
Implementation of Governmental Accounting Standards Board (GASB) Statement 87, Leases (**)	<ul style="list-style-type: none"> • Assess the applicability of the GASB statement to the System's lease transactions. • Test for proper recognition and disclosure of applicable lease transactions.

(**) As part of our risk assessment procedures, we have identified this item as a significant risk. A significant risk is an identified and assessed risk of material misstatement that, in our professional judgment, requires special audit consideration.

Integrated Audit Approach

Reliance on Internal Control

We will collaborate with the System’s management and the internal audit department to leverage the risk assessment procedures and internal control work performed by the System, where appropriate. We are scheduled to conduct our planning meeting with the System’s internal audit department in January 2023.

With respect to both general computer controls and business process controls, we have planned for the following:

Area	Procedures Performed
Risk Assessment	We will obtain an in-depth understanding of management’s financial reporting objectives and analyze risks related to the achievement of those objectives. Our focus will be on quantitative and qualitative factors that potentially affect the reliability of financial reporting and identifying and challenging where in the transaction processing or other activities something could go wrong.
Control Environment	We will obtain an in-depth understanding of the key environmental factors, such as the integrity and values of management, their philosophy and operating style, the organizational structure, the financial reporting competencies of those involved with financial statement preparation and oversight, and overall human resources policy and practice.
Control Activities	We will assess how control activities are integrated with risk assessments, in order to ensure the most effective and efficient activities are in place to mitigate risks and to achieve financial reporting objectives. We will gain assurance that policies related to reliable financial reporting are communicated throughout the System, resulting in management directives being carried out.
Information and Communication	Our information technology specialists will assist us in evaluating general computer controls associated with each of the significant financially related applications, including the general ledger and billing applications. As part of their evaluation, they will ensure that pertinent information is identified, captured and distributed in a form and time frame that supports the achievement of financial reporting objectives.
Monitoring	We will obtain an understanding of monitoring activities already in place and focus on changes in the financial reporting system since the prior year, to gain insight into where to target more detailed testing. We will ensure that internal control deficiencies identified are communicated in a timely manner to those parties responsible for taking corrective action and to management and the Audit and Compliance Committee of the Board of Commissioners as appropriate.

For audit areas where we believe it will be effective and efficient to rely on internal controls, we plan to review the design and implementation of key business processes and test the operating effectiveness of those controls. The design evaluation, implementation walkthroughs, and operating effectiveness testing will be done in collaboration with internal audit.

Fraud Risk

Generally accepted audit standards (AU-C 240, *Consideration of Fraud in a Financial Statement Audit*) require us to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Following are the procedures designed to obtain reasonable assurance:

Generally accepted audit standards (AU-C 240, Consideration of Fraud in a Financial Statement Audit)	Summary Audit Procedures
Assess	<ul style="list-style-type: none"> • Risk of misstatement due to fraudulent financial reporting or misappropriation of assets. • The System's risk assessment process. • The Board of Commissioners' activities. • Financial performance versus budget/forecast and prior year.
Evaluate and review	<ul style="list-style-type: none"> • Code of conduct/ethics policies. • Management programs and controls to deter and detect fraud for identified risk. • Areas most likely susceptible to fraud. • Business rationale for significant unusual transactions. • Management structure and any changes. • Accounting estimates, current and retrospective, for biases. • Revenue recognition policies and procedures.
Consider	<ul style="list-style-type: none"> • Results of analytical procedures (including revenue analytics). • Conditions generally present to commit fraud and assess risks of fraud throughout the audit. • Materiality. • Current market and industry conditions. • Understanding of business and history of errors.
Examine and conduct	<ul style="list-style-type: none"> • Inquiries of management and others within the entity, including the Board of Commissioners, those outside management, and those outside the finance function. • Journal entries and other adjustments. • Add an element of unpredictability in audit procedures year over year.

Other Required Communications

Communication

Effective two-way communication between our firm and the Board of Commissioners is important to understanding matters related to the audit and developing a constructive working relationship.

Your insights may assist us in understanding the System and its environment, identifying appropriate sources of audit evidence and providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate to us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing and extent of audit procedures, your suspicion or detection of fraud, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the consolidated financial statements, instances of noncompliance with laws and regulations that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We also will communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Additionally, we will communicate significant unusual transactions, matters that are difficult or contentious for which we consulted outside the engagement team, and circumstances that affect the form and content of the auditor's report. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. For example, our partners and professional employees are restricted in their ability to own a direct financial interest or a material indirect financial interest in a client or any affiliate of a client. Also, if an immediate family member or close relative of a partner or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with firm policy. In addition, our policies prohibit us from providing certain non-attest services and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how your business functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of your business. The development of a specific audit plan will begin by meeting with you and with management to obtain an understanding of your business objectives, strategies, risks and performance.

As part of obtaining an understanding of your business and its environment, we will obtain an understanding of your system of internal control. We will use this understanding to identify risks of material misstatement, which will provide us with a basis for designing and implementing responses to

the assessed risks of material misstatement. We will also obtain an understanding of the users of the financial statements in order to establish an overall materiality level for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error.

The System engaged another audit firm to perform the System's single audits as required by the federal Single Audit Act, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200 (Uniform Guidance) and the Florida Single Audit Act, as applicable.

The Concept of Materiality in Planning and Executing the Audit

We apply the concept of materiality in both planning and performing the audit; evaluating the effect of identified misstatements on the audit and the effect of uncorrected misstatements, if any, on the financial statements; and forming the opinion in our report. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial information needs of users of the financial statements. We establish performance materiality at an amount less than materiality for the financial statements as a whole to allow for the risk of misstatements that may not be detected by the audit. We use performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. We will accumulate misstatements identified during the audit, other than those that are clearly trivial. At the end of the audit, we will inform you of all individual uncorrected misstatements aggregated by us in connection with our evaluation of our audit test results.

Significant Risks of Material Misstatement

Our audit of the consolidated financial statements includes the performance of risk assessment procedures in order to identify risks of material misstatement, whether due to fraud or error. As part of these risk assessment procedures, we determine whether any risks identified are a significant risk. A significant risk is an identified risk of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk due to the degree to which inherent risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement should that misstatement occur, or that is to be treated as a significant risk in accordance with auditing standards generally accepted in the United States of America. As part of our risk assessment procedures, we have identified management override of controls, improper revenue recognition, valuation of actuarially determined liabilities, accounting for leases and accounting for the Provider Reimbursement Review Board Decision in Florida Section 1115 DSH Waiver Days Groups as being significant risks. The planned procedures to address these significant risks are included in the *Risk Areas and Summary Audit Procedures* section of this audit plan. Additional significant risks may be identified as we perform additional audit procedures.

Our Approach to Internal Control and Compliance Relevant to the Audit

Our audit of the financial statements will include obtaining an understanding of internal control sufficient to plan the audit and determine the nature, timing and extent of audit procedures to be performed. A financial statement audit is not designed to provide assurance on internal control or identify significant deficiencies or material weaknesses. Our review and understanding of the System's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

We will issue reports on internal control related to the financial statements. These reports describe the scope of testing of internal control and the results of our tests of internal control. Our reports on internal control will include any significant deficiencies and material weaknesses in the System of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States.

We will issue reports on compliance with laws, statutes, regulations and the terms and conditions of awards. We will report on any noncompliance that could have a material effect on the financial statements. Our reports on compliance will address material errors, fraud, violations of compliance requirements, and other responsibilities imposed by state and federal statutes and regulations and assumed contracts; and any state or federal grant questioned costs of which we become aware, consistent with the requirements of the standards identified above.

Using the Work of Internal Auditors

As part of our understanding of your business and its environment, we will obtain and document an understanding of your internal audit function. We will read relevant internal audit reports issued during the year to determine whether such reports indicate a source of potential error or fraud that would require a response when designing our audit procedures. Because internal auditors are employees, they are not independent and their work can never be substituted for the work of the external auditor. We may, however, alter the nature, timing and extent of our audit procedures based upon the results of the internal auditor's work or use the internal audit function to provide direct assistance to us during the performance of our audit.

Timing of the Audit

Preliminary audit work will take place in January and April 2023, and we have scheduled final field work for May and June 2023. Management's adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the System.

This communication is intended solely for the information and use of Audit and Compliance Committee of the Board of Commissioners and is not intended to be, and should not be, used by anyone other than this specified party.

RSM US LLP

Summary Audit Calendar

Activity	Month									
	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JULY	
Planning										
Review preliminary audit plan with the Board of Commissioners										
Meeting with internal audit to discuss logistics of the financial statement audit										
Finalize audit plan and review with management										
Interim fieldwork										
Assess design and implementation of internal controls and test operating effectiveness of key controls										
Perform interim fieldwork for the System consolidated audit (including existence/occurrence testing of patient service revenue)										
Understand and assess design effectiveness of IT general controls and selected application controls										
Final fieldwork and reporting										
Perform final fieldwork for the System consolidated audit										
Review draft consolidated financial statements and disclosure checklists with management										
Review management letter draft with management										
Discuss audit results for the System consolidated audit with the Board of Commissioners										
Issue final audited financial statements and related deliverables										
Client satisfaction assessment										
Obtain feedback on audit services and initiate planning for 2023 audit										

RECENT ACCOUNTING PRONOUNCEMENTS

The following accounting pronouncements have been issued but are not yet effective and may affect the future financial reporting by the system.

The following standards that are effective and upcoming are most applicable to the System and are not all inclusive of all new and upcoming standards.

In June 2017, the GASB issued Statement No. 87, *Leases*, which provides guidance for lease contracts for nonfinancial assets – including vehicles, heavy equipment, and buildings – but excludes nonexchange transactions, including donated assets, and leases of intangible assets (such as patents and software licenses). The lease definition now focuses on a contract that conveys control of the right to use another entity’s non-financial asset, which is referred to in the new Statement as the underlying asset. Under this Statement, a lessee government is required to recognize: (1) a lease liability, and (2) an intangible asset representing the lessee’s right to use the leased asset. A lessor government is required to recognize: (1) a lease receivable, and (2) a deferred inflow of resources. A lessor will continue to report the leased asset in its financial statements. The requirements of the statement are effective for reporting periods beginning after June 15, 2021 (the System’s April 30, 2023 financial statements).

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: (1) commitment extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021 (the System’s April 30, 2023 financial statements).

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 (the System’s April 30, 2024 financial statements)

In June 2020, the GASB issued Statement No 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The objectives of this Statement were to clarify rules related to reporting of fiduciary activities under GASB Statements No. 14 and No. 84, to mitigate financial reporting costs for defined contribution plans, and to enhance the relevance, consistency, and comparability of the accounting and financial reporting of Internal Revenue Code Section 457 plans that meet the definition of a pension plan. The requirements of GASB Statement No. 97 that: (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in GASB Statement No. 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet certain criteria, were

effective immediately. The adoption of these requirements did not have a material effect on the System's April 30, 2021 financial statements. The requirements of this Statement related to the accounting and financial reporting for Section 457 plans are effective for reporting periods beginning after June 15, 2021 (the System's April 30, 2023 financial statements).

In May 2022, the GASB issued Statement No. 99, *Omnibus 2022 (GASB Statement No. 99)*. The Statement provides guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements, including: accounting and financial reporting for exchange or exchange-like financial guarantees; certain derivative instruments that are neither hedging derivative instruments nor investment derivative instruments; and clarification of certain provisions of: GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 87 and GASB Statement No. 96. The requirements of GASB Statement No. 99 that relate to the extension of the use of LIBOR, disclosures for nonmonetary transactions, pledges of future revenues by pledging governments, clarifications of certain provisions in GASB Statement No. 34, and terminology updates are effective immediately. The requirements related to GASB Statement No. 87 and GASB Statement No. 96 are effective for fiscal years beginning after June 15, 2022 (the System's April 30, 2024 financial statements), and all reporting periods thereafter. The requirements related to financial guarantees and the other requirements related to derivative instruments are effective for fiscal years beginning after June 15, 2023 (the System's April 30, 2025 financial statements), and all reporting periods thereafter.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for: (1) certain changes in accounting principles, and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 (the System's April 30, 2025 financial statements), and all reporting periods thereafter.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 (the System's April 30, 2025 financial statements), and all reporting periods thereafter.

Appendix I: Arrangement Letter



RSM US LLP

November 15, 2021

Management and the Board of Commissioners
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The Objective and Scope of the Audits of the Financial Statements

You have requested that RSM US LLP (“RSM”, “we”, “us”, or “our”), audit South Broward Hospital District, d/b/a Memorial Healthcare System’s (“the System”, “you”, or “your”) business-type activities and the aggregate remaining fund information, as of and for the years ending April 30, 2022, April 30, 2023, April 30, 2024, and April 30, 2025, which collectively comprise the basic financial statements. We are pleased to confirm our acceptance and our understanding of these audit engagements by means of this letter (“Arrangement Letter”).

The objectives of our audits are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. 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 auditing standards generally accepted in the United States of America (“GAAS”) and *Government Auditing Standards* issued by the Comptroller General of the United States (“GAS”) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

You have also informed us that you have engaged a separate firm to perform the audit of the System each year to satisfy the audit requirements imposed by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“the Uniform Guidance”).

The Responsibilities of the Auditor

We will conduct our audits in accordance with GAAS and GAS. Those standards require that we comply with applicable ethical requirements. As part of an audit in accordance with GAAS and GAS, we exercise professional judgment and maintain professional skepticism throughout the audits. We will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audits 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 System’s internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audits of the financial statements that we have identified during the audits.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and GAS. Because the determination of waste or abuse is subjective, GAS does not require auditors to perform specific procedures to detect waste or abuse in financial statement audits.

We will communicate to the Board of Commissioners (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audits, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audits (unless they are clearly inconsequential).

Our report(s) on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards and regulations identified above. Our report(s) on compliance matters will address material errors, fraud, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with requirements of the standards and regulations identified above.

We will maintain our independence in accordance with the standards of the American Institute of Certified Public Accountants (AICPA) and GAS.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Management is responsible for:

1. Identifying and ensuring that the System complies with the laws and regulations applicable to its activities, and for informing us about all known violations of such laws or regulations, other than those that are clearly inconsequential;
2. The design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the System involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements; and
3. Informing us of its knowledge of any allegations of fraud or suspected fraud affecting the System received in communications from employees, former employees, analysts, regulators, short sellers, vendors, customers or others.

Management is responsible for the preparation of the required supplementary information (RSI) and supplementary information in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Management agrees to include the auditor's report on the RSI and



supplementary information in any document that contains the supplementary information and indicates that the auditor has reported on such RSI and supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

The Board of Commissioners is responsible for informing us of its views about the risks of fraud, waste or abuse within the System, and its knowledge of any fraud, waste or abuse or suspected fraud, waste or abuse affecting the System.

Our audits will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;
3. For 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;
4. For establishing and maintaining effective internal control over financial reporting, and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge;
5. For report distribution; and
6. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including information relevant to disclosures;
 - b. Draft financial statements, including information relevant to their preparation and fair presentation, when needed, to allow for the completion of the audits in accordance with the proposed timeline;
 - c. Additional information that we may request from management for the purpose of the audits; and
 - d. Unrestricted access to persons within the System from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audits, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this Arrangement Letter; and



2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Examination in Compliance with Section 218.415

This Arrangement Letter is also to explain RSM's understanding of the arrangements regarding our engagement to examine the System's compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* Required By Chapter 10.550 of the Rules of the Auditor General of the State of Florida (the "Specified Requirements") during the years ending April 30, 2022, April 30, 2023, April 30, 2024, and April 30, 2025. We ask that you confirm this understanding. We are pleased to confirm our acceptance and our understanding of this examination engagement by means of this Arrangement Letter.

Engagement Services

We will examine the System's compliance with the Specified Requirements in accordance with attestation standards established by the AICPA, and in relation to the investment of public funds (the "Criteria").

At the conclusion of our engagement, we will issue a written report of our examination of compliance with the Specified Requirements in relation to stated or established Criteria. Our report will be addressed to the Board of Commissioners of the System. We cannot guarantee that an unmodified opinion on compliance with the Specified Requirements will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, or withdraw from the engagement.

The attestation standards require that we perform our examination engagement only if we have reason to believe that the compliance with the Specified Requirements is capable of consistent measurement or evaluation against criteria that are suitable and available to users. If circumstances arise relating to the condition of the System's records, the availability of appropriate evidence or indications of a significant risk of material misstatement of compliance with the Specified Requirements because of error, fraudulent financial reporting or misappropriation of assets that, in our professional judgment, prevent us from completing the engagement or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

The services that we will perform are not designed and cannot be relied upon to disclose errors, fraud or illegal acts, should any exist. However, we will inform the appropriate level of management and the Board of Commissioners of any material errors that come to our attention and any fraud or illegal acts that come to our attention, unless they are clearly inconsequential.

Furthermore, the services were not designed to provide assurance on internal control. However, we will communicate to management and the Board of Commissioners any internal control deficiencies that become known to us during the course of the engagement.

We will maintain our independence in accordance with the standards of the AICPA.

System's Responsibilities over the Examination Services

Management and the Board of Commissioners are responsible for:

1. identifying applicable compliance requirements;



2. selecting the Criteria for the purposes of evaluating compliance with the Specified Requirements;
3. determining that the stated or established Criteria is appropriate for the purposes of evaluating compliance with the Specified Requirements;
4. establishing and maintaining effective internal control over compliance with the Specified Requirements;
5. evaluating and monitoring the System's compliance with the Specified Requirements and providing us with a written assertion thereon;
6. specifying reports that satisfy legal, regulatory or contractual requirements;
7. making all records and related information available to us;
8. providing us with a written management representation letter confirming certain representations made during the course of the engagement;
9. the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the System involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on compliance with the Specified Requirements; and
10. informing us of its knowledge of any allegations of fraud or suspected fraud affecting the System received in communications from employees, former employees, analysts, regulators, short sellers or others.

Reporting

We will issue a written report upon completion of our audits of the System's financial statements. Our report will be addressed to the Board of Commissioners of the System. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audits. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, or add an emphasis-of-matter paragraph or other-matter paragraph to our auditor's report.

If circumstances arise relating to the condition of the System's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audits or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including, but not limited to, declining to express an opinion or issue a report, or withdrawing from the engagement.

In addition to our report on the System's financial statements, we will also issue the following reports:

1. 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*;
2. Independent Auditor's Report on the Schedules of Net Income Available for Debt Service and Long-Term Debt Service Coverage Ratio;
3. Independent Accountant's Examination Report on Compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* Required By Chapter 10.550 of the Rules of the Auditor General of the State of Florida; and



4. Management Letter Required By Chapter 10.550 of the Rules of the Auditor General of the State of Florida.

Records and Assistance

During the course of our engagement, we may accumulate records containing data that should be reflected in the System's books and records. The System will determine that all such data, if necessary, will be so reflected. Accordingly, the System will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by System personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Jen Connelly, Vice President of Finance. The timely and accurate completion of this work is an essential condition to our completion of the audits and issuance of our audit reports.

Nonaudit Services

In connection with our audits, you have requested us to perform certain nonaudit services:

- 1) General support related to the preparation, compilation, review and finalization of the System's financial report.
- 2) GASB 87 lease implementation assistance.

GAS independence standards require that the auditor maintain independence so that opinions, findings, conclusions, judgments and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-audit service to the System, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-audit services provided. A critical component of our determination is consideration of management's ability to effectively oversee the non-audit services to be performed. The System has agreed that Jen Connelly, Vice President of Finance possesses suitable skill, knowledge or experience and that the individual understands the non-audit services to be performed sufficiently to oversee them. Accordingly, the management of the System agrees to the following:

1. The System has designated Jen Connelly, Vice President of Finance, as a senior member of management who possesses suitable skill, knowledge and experience to oversee the services;
2. Jen Connelly, Vice President of Finance, will assume all management responsibilities for subject matter and scope of the non-audit services;
3. The System will evaluate the adequacy and results of the services performed; and
4. The System accepts responsibility for the results and ultimate use of the services.

GAS further requires that we establish an understanding with the System's management and those charged with governance of the objectives of the non-audit services, the services to be performed, the System's acceptance of its responsibilities, the auditor's responsibilities and any limitations of the non-audit services. We believe this Arrangement Letter documents that understanding.

Parties' Understandings Concerning Situation Around COVID-19

RSM and the System acknowledge that, at the time of the execution of this Arrangement Letter, federal, state and local governments, both domestic and foreign, have imposed certain restrictions on travel and/or the movement of their citizens due to the ongoing and evolving situation around COVID-19. In



addition, like many organizations and companies in the United States and around the globe, RSM has restricted its employees from certain travel and onsite work, whether at a client facility or RSM facility, to protect the health of both RSM's and its clients' employees. Accordingly, to the extent that any of the services described in this Arrangement Letter requires or relies on RSM or System personnel to travel and/or perform work onsite, either at the System's or RSM's facilities, including, but not limited to, maintaining business operations and/or IT infrastructure, RSM and the System acknowledge and agree that the performance of such work may be delayed, significantly or indefinitely, and thus certain services described herein may need to be rescheduled and/or suspended at either RSM's or the System's sole discretion. RSM and the System agree to provide the other with prompt written notice (email will be sufficient) in the event any of the services described herein will need to be rescheduled and/or suspended. RSM and the System also acknowledge and agree that any delays or workarounds due to the situation surrounding COVID-19 may increase the cost of the services described herein. Costs also may increase if services provided include matters such as consideration of going concern, impairment analysis, debt forgiveness or lease concessions, not already considered within the stated fees. RSM will obtain the System's prior written approval (email will be sufficient) for any increase in the cost of RSM services that may result from the situation surrounding COVID-19.

Other Relevant Information

In accordance with GAS, a copy of our most recent peer review report has been provided to you for your information.

Fees and Costs

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses, including report processing, travel, meals, and fees for services from other professionals, as well as a charge of 5 percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance. RSM will comply with the System's Standard Practice titled "Reimbursement of Travel Expenses" attached to the Addendum to Agreement ("Addendum") executed on even date hereof.



Our fees will be for the year ending April 30, 2022, 2023, 2024, and 2025 and are as follows:

Summary of services	Year ending 2022	Year ending 2023	Year ending 2024	Year ending 2025
Financial Statement Audits:				
a. Opinion on the fair presentation of the financial statements in conformity with applicable generally accepted accounting principles	\$392,000	\$392,000	\$407,500	\$407,500
b. 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>				
a. Independent Auditor's Report on the Schedules of Net Income Available for Debt Service and the Long-Term Debt Service Coverage Ratio	Included above	Included above	Included above	Included above
b. Independent Accountant's Examination Report on Compliance with <i>Section 218.415, Florida Statutes, Local Government Investment Policies Required By Chapter 10.550 of the Rules of the Auditor General of the State of Florida</i>	Included above	Included above	Included above	Included above
c. Management Letter Required by Chapter 10.550 of the Rules of the Auditor General	Included above	Included above	Included above	Included above

Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from System personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests



4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement
6. Anticipates an estimated 550 hours from the System's internal audit department

Subject to the foregoing notice, if any of the aforementioned criteria are not met, then fees may increase. If we anticipate that additional fees may be incurred, we will keep you informed of any problems we encounter and discuss the problems with an authorized representative of the System and, before we incur the additional costs, agree in writing upon a new fee estimate. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission subject to the terms of the Addendum.

Use of Subcontractors and Third-Party Products

From time to time and depending upon the circumstances, we may, in our sole discretion, use affiliates of ours or qualified third-party service providers, located within or outside the United States, to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose Confidential Information (as such term is defined below) to them. In addition, if necessary to perform the services requested, we may arrange for one or more of the member firms of the RSM International Network (each an "RSM International Network Firm") to provide services to you outside of the United States. Those third-party service providers, affiliates of RSM, and RSM International Network Firms we use to assist us in providing services to you are collectively referred to herein as "Subcontractors." You hereby consent to us sharing your information, including Confidential Information, with our Subcontractors on the same basis as we would be permitted to share information with one of our employees; provided that such recipients are bound by written obligations of confidentiality that are as protective of your Confidential Information as the confidentiality terms set forth herein. You acknowledge and agree that: (i) our use of Subcontractors may involve the processing, input, disclosure, movement, transfer, and storage of your information and data outside of our technology infrastructure; and (ii) an RSM International Network Firm may also share with us any work product, time and billing information, or any other information concerning you or your affiliates reasonably necessary for us to perform the services requested under this Arrangement Letter. We will be liable to the System if the third party breaches such confidentiality obligations.

We also may provide services to you using certain third-party hardware, software, software services, managed services (including, but not limited to, web hosting, data security, data back-up, email security, or similar services subject to direct end-user or subscription agreements), applications, and equipment (collectively, "Third-Party Products"). You acknowledge that your or our use of a Third-Party Product may involve the processing, input, disclosure, movement, transfer, and storage of information provided by you to us, including Personal Information and Confidential Information, within the Third-Party Product's infrastructure and not ours, and that the terms of use and service set forth in the end-user license, subscription, or other agreement with the licensor of such Third-Party Product, including, but not limited to, applicable laws, will govern all obligations of such licensor relating to data privacy, storage, recovery, security, and processing within such Third-Party Product's infrastructure, as well as, the service levels associated with such Third-Party Product. You hereby consent to the disclosure of your information, including your Confidential Information and Personal Information, to the licensors of such Third-Party Products for the purpose described herein.

You acknowledge that your or our use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, maintenance, or other issues. We will not be liable for any delays, delivery failures, or other losses or damages resulting from such issues. Nor will we be held responsible or liable for any loss, or unauthorized use or disclosure, of



any information or data provided by you, including, without limitation, Personal Information provided by you, resulting from your or our use of a Third-Party Product.

Use and Ownership; Access to Audit Documentation

The Audit Documentation for this engagement is the property of RSM. For the purposes of this Arrangement Letter, the term "Audit Documentation" shall mean the confidential and proprietary records of RSM's audit procedures performed, relevant audit evidence obtained, other audit-related workpapers, and conclusions reached. Audit Documentation shall not include custom-developed documents, data, reports, analyses, recommendations, and deliverables authored or prepared by RSM for the System under this Arrangement Letter, or any documents belonging to the System or furnished to RSM by the System.

Review of Audit Documentation by a successor auditor or as part of due diligence is subject to applicable RSM policies, and will be agreed to, accounted for and billed separately. Any such access to our Audit Documentation is subject to a successor auditor signing an Access & Release Letter substantially in RSM's form. RSM reserves the right to decline a successor auditor's request to review our workpapers.

In the event we are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the System, the System will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time (at the rates used to determine fees pursuant to this Arrangement Letter) and expenses, as well as reasonable fees and expenses of our counsel, incurred in responding to such requests pursuant to an amendment to this Arrangement Letter or a separate writing, in each case signed by both parties.

You acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the Audit Documentation upon their request and that we shall maintain the Audit Documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to the requested Audit Documentation will be provided under the supervision of RSM audit personnel and at a location designated by our firm.

Indemnification, Limitation of Liability, and Claim Resolution

Because RSM will rely on the System and its management and Board of Commissioners to discharge the foregoing responsibilities, the System agrees, subject to the limitations of liability contained in Chapter 768.28, Florida Statutes, to indemnify, hold harmless and release RSM and its partners, principals, officers, directors, employees, affiliates, subsidiaries, contractors, Subcontractors, agents, representatives, successors, or assigns from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the System's management.

IN NO EVENT SHALL RSM OR THE SYSTEM, OR ANY OF THEIR RESPECTIVE PARTNERS, PRINCIPALS, OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, SUBSIDIARIES, CONTRACTORS, SUBCONTRACTORS, AGENTS, REPRESENTATIVES, SUCCESSORS, OR ASSIGNS (COLLECTIVELY, THE "COVERED PARTIES" AND EACH INDIVIDUALLY, A "COVERED PARTY"), BE LIABLE FOR THE INTERRUPTION OR LOSS OF BUSINESS, ANY LOST PROFITS, SAVINGS, REVENUE, GOODWILL, SOFTWARE, HARDWARE, OR DATA, OR THE LOSS OF USE THEREOF (REGARDLESS OF WHETHER SUCH LOSSES ARE DEEMED DIRECT DAMAGES), OR INCIDENTAL, INDIRECT, PUNITIVE, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR SIMILAR SUCH DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF THE RSM COVERED PARTIES ARISING OUT OF, FROM, OR RELATING TO THIS ARRANGEMENT LETTER,



OR THE REPORT ISSUED OR SERVICES PROVIDED HEREUNDER, REGARDLESS OF THE CIRCUMSTANCES OR NATURE OR TYPE OF CLAIM, INCLUDING, WITHOUT LIMITATION, CLAIMS ARISING FROM A COVERED PARTY'S NEGLIGENCE OR BREACH OF CONTRACT OR WARRANTY, OR RELATING TO OR ARISING FROM A GOVERNMENT, REGULATORY OR ENFORCEMENT ACTION, INVESTIGATION, PROCEEDING, OR FINE, WILL NOT EXCEED THE TOTAL AMOUNT OF THE FEES PAID BY THE SYSTEM TO RSM UNDER THIS ARRANGEMENT LETTER. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS LIMITATION OF LIABILITY PROVISION SHALL, OR SHALL BE INTERPRETED OR CONSTRUED TO, RELIEVE THE SYSTEM OF ITS PAYMENT OBLIGATIONS TO RSM UNDER THIS ARRANGEMENT LETTER. NOTWITHSTANDING THE FOREGOING AND ANYTHING STATED TO THE CONTRARY IN THIS ARRANGEMENT LETTER OR ANY ADDENDUM, OR OTHER DOCUMENT OR WRITING INCORPORATED HEREIN BY REFERENCE, IN NO EVENT SHALL THE TOTAL AGGREGATE LIABILITY OF THE RSM COVERED PARTIES ARISING OUT OF, FROM, OR RELATING TO: (I) A FAILURE TO COMPLY WITH, OR A VIOLATION OF, ANY APPLICABLE PRIVACY, CYBERSECURITY, OR DATA PROTECTION LAWS; OR (II) A BREACH OR VIOLATION OF, OR FAILURE TO COMPLY WITH, CONFIDENTIALITY OR DATA PROTECTION OBLIGATIONS CONTAINED IN THIS ARRANGEMENT LETTER OR THE "BAA" (AS HEREINAFTER DEFINED), EXCEED THREE TIMES (3X) THE TOTAL AMOUNT OF THE FEES PAID BY THE SYSTEM TO RSM UNDER THIS ARRANGEMENT LETTER.

Confidentiality

RSM and the System may, from time to time, disclose Confidential Information (as defined below) to one another. Accordingly, RSM and the System agree as the recipient of such Confidential Information (the "Receiving Party") to keep strictly confidential all Confidential Information provided to it by the disclosing party (the "Disclosing Party") and use, modify, store, and copy such Confidential Information only as necessary to perform its obligations and exercise its rights under this Arrangement Letter and for no other purpose or use. Except as otherwise set forth herein, the Receiving Party may only disclose the Confidential Information of the Disclosing Party to its personnel, agents, and representatives who are subject to obligations of confidentiality at least as restrictive as those set forth herein and only for the purpose of exercising its rights and fulfilling its obligations hereunder. To avoid any doubt, RSM is permitted to disclose the System's Confidential Information to RSM's personnel, agents, and representatives for the purpose of maintaining compliance with applicable laws and professional, regulatory, and/or ethical standards.

As used herein, "Confidential Information" means, information in any form, oral, graphic, written, electronic, machine-readable or hard copy consisting of: (i) any nonpublic information provided by the Disclosing Party, including, but not limited to, all of its inventions, designs, data, source and object code, programs, program interfaces, know-how, trade secrets, techniques, ideas, discoveries, marketing and business plans, pricing, profit margins and/or similar information; (ii) any information that the Disclosing Party identifies as confidential; or (iii) any information that, by its very nature, a person in the same or similar circumstances would understand should be treated as confidential, including, but not limited to, this Arrangement Letter.

As used herein, the term "Confidential Information" will not include information that: (i) is publicly available at the time of disclosure by the Disclosing Party; (ii) becomes publicly available by publication or otherwise after disclosure by the Disclosing Party, other than by breach of the confidentiality obligations set forth herein by the Receiving Party; (iii) was lawfully in the Receiving Party's possession, without restriction as to confidentiality or use, at the time of disclosure by the Disclosing Party; (iv) is provided to the Receiving Party without restriction as to confidentiality or use by a third party without violation of any obligation to the Disclosing Party; (v) is independently developed by employees or agents of the Receiving Party who did not access or use the Confidential Information; (vi) is authorized in writing by Disclosing Party for further disclosure by Receiving Party; or (vii) is required to be disclosed pursuant to applicable law, regulatory or legal process or court order.



The Receiving Party will treat the Disclosing Party's Confidential Information with the same degree of care as the Receiving Party treats its own confidential and proprietary information, but in no event will such standard of care be less than a reasonable standard of care. The Receiving Party will promptly notify the Disclosing Party if it becomes aware that any of the Confidential Information of the Disclosing Party has been used or disclosed in violation of this Arrangement Letter.

Notwithstanding the foregoing, in the event that the Receiving Party becomes legally compelled to disclose any of the Confidential Information of the Disclosing Party, or as may be required by applicable regulations or professional standards, the Receiving Party will use commercially reasonable efforts to provide the Disclosing Party with notice prior to disclosure, to the extent permitted by law.

Preexisting Nondisclosure Agreements

In the event that the parties have executed a separate nondisclosure agreement related to the subject matter hereof, and such agreement does not automatically terminate or expire upon execution of this Arrangement Letter, such agreement shall be terminated as of the effective date of this Arrangement Letter.

Data Protection Compliance

Our Privacy Policy ("Privacy Policy") is attached hereto. You acknowledge that you have read and understand the Privacy Policy and to the extent it does not conflict with any of the System's internal policies and procedures, agree to the practices as described therein; provided, however, RSM acknowledges and agrees that any and all data from the System shall be handled in accordance with the terms of the Business Associate Agreement ("BAA") entered into 2017, as subsequently amended in 2018, and this Arrangement Letter. In the event of a conflict between the terms of RSM's Privacy Policy and the BAA or this Arrangement Letter, the BAA and/or Arrangement Letter, as applicable shall control.

We take reasonable steps to comply with all applicable privacy, cybersecurity, and data protection laws that may apply to Personal Information and Confidential Information we process on behalf of our clients. Upon written request, but not more than annually during the term of this Arrangement Letter, we will deliver to you a copy of our third-party provided SOC 2 report evidencing the operating effectiveness of our Information Technology ("IT") control environment. We will also provide summaries of our IT security and disaster recovery policies and make our senior IT personnel reasonably available for discussion upon request. Our SOC 2 report and any information we disclose to you concerning our IT control environment shall constitute Confidential Information of RSM and shall be subject to the confidentiality obligations set forth in this Arrangement Letter. Any party who discloses any personal, technical, or other data pursuant to this Arrangement Letter that may be subject to heightened protections under applicable privacy, cybersecurity, export control, and/or data protection laws shall do so in accordance with the applicable law.

RSM and the System acknowledge and agree that they may correspond or convey information and documentation, including Confidential Information and Personal Information, via various forms of electronic transmission, including, but not limited to, Third-Party Products, such as, email, FTP and cloud-based sharing and hosting applications (e.g., portals, data analytics tools, and helpdesk and support ticketing applications), and that neither party has control over the performance, operation, reliability, availability, or security of these electronic transmissions methods. Therefore, neither party will be liable for any loss, damage, expense, harm, disclosure or inconvenience resulting from the loss, delay, interception, corruption, unauthorized disclosure, or alteration of any electronic transmission where the party has used commercially reasonable efforts to protect such information. We offer our clients various platforms for the exchange of information. You hereby agree that you shall be bound by and comply with any and all user terms and conditions made available (whether by link, click-through, or otherwise) with respect to such platforms.



Personal Information

As used herein, the term "Personal Information" means any personal information that directly or indirectly identifies a natural person as may be defined by applicable privacy, data protection or cybersecurity laws, and includes, but is not limited to, nonpublic, personally identifiable information such as Social Security numbers, Social Insurance numbers, driver's license numbers or state- or province-issued identification card numbers, credit or debit card numbers with or without any required security code, number or passwords, health information, and other personal information as defined by applicable laws, whether of the System or the System's customers or other third parties.

Each party agrees that it will not transmit to the other, in any manner, (i) Personal Information that is not needed to render the services hereunder, and (ii) Personal Information that has not been encrypted. In the event Personal Information is transmitted in an unencrypted format or via unencrypted means, the transmitting party shall notify the other party of such unencrypted transmission.

You represent and warrant that you have provided all notices and obtained all consents required under applicable data protection laws prior to your collection, use and disclosure to us or our Subcontractors of such Personal Information and shall take reasonable steps to ensure that such Personal Information does not include irrelevant or unnecessary information about individuals.

In the event the services provided hereunder involve storing, transfer and/or processing of any Personal Information obtained from the System outside of the United States, we will enter into a mutually agreed upon agreement relating to the lawful cross-border transfer and processing of Personal Information.

We will use all such System-provided Personal Information, if at all, only for the purposes described in this Arrangement Letter and shall not use Personal Information for any other purpose.

If we become aware of an unauthorized acquisition or use of System-provided Personal Information, we will promptly inform you of such unauthorized acquisition or use as required by applicable laws and, upon your written request, reasonably cooperate with you, in support of any breach notification requirements as imposed upon you by applicable laws.

Retention of Records

We will return to you all original records you provide to us in connection with this engagement. Further, in addition to providing you with those deliverables set forth in this Arrangement Letter, we will provide to you a copy of any records we prepare or accumulate in connection with such deliverables which are not otherwise reflected in your books and records without which your books and records would be incomplete. You have the sole responsibility for retaining and maintaining in your possession or custody all of your financial and nonfinancial records related to this engagement. We will not host, and will not accept responsibility to host, any of your records. We, however, may maintain a copy of any records of yours necessary for us to comply with applicable law and/or professional standards. Any such records retained by us will be subject to the confidentiality obligations set forth herein and destroyed in accordance with our record retention policies.

Termination

Your failure to make full payment of any and all undisputed amounts invoiced in a timely manner constitutes a material breach for which we may refuse to provide deliverables and/or, upon written notice, suspend or terminate our services under this Arrangement Letter. We will not be liable to you for any resulting loss, damage or expense connected with the suspension or termination of our services due to your failure to make full payment of undisputed amounts invoiced in a timely manner.

In the event you terminate this engagement, you will pay us for all services rendered (including deliverables and products delivered), expenses incurred, and noncancelable commitments made by us on your behalf through the effective date of termination.



We will not be responsible for any delay or failure in our performance resulting from acts beyond our reasonable control or unforeseen or unexpected circumstances, such as, but not limited to, acts of God, government or war, riots or strikes, disasters, fires, floods, epidemics, pandemics or outbreaks of communicable disease, cyberattacks, and internet or other system or network outages. At your option, you may terminate this Arrangement Letter where our services are delayed more than 120 days; however, you are not excused from paying us for all amounts owed for services rendered and deliverables provided prior to the termination of this Arrangement Letter.

When an engagement has been suspended at the request of management or those charged with governance and work on that engagement has not recommenced within 120 days of the request to suspend our work, we may, at our sole discretion, terminate this Arrangement Letter without further obligation to you; provided, however, we will provide you with any deliverables completed and paid by the System prior to the date of termination. Resumption of our work following termination may be subject to our client acceptance procedures and, if resumed, will require additional procedures not contemplated in this Arrangement Letter. Accordingly, the scope, timing and fee arrangement discussed in this Arrangement Letter will no longer apply. In order for us to recommence work, the execution of a new Arrangement Letter will be required.

We may terminate this Arrangement Letter upon written notice if (i) we determine that our continued performance would result in a violation of law, regulatory requirements, applicable professional or ethical standards, or our client acceptance or retention standards; or (ii) you are placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, you or any of your affiliates is placed on a verified sanctioned person list, in each case, including, but not limited to, lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union, or any other relevant sanctioning authority.

The parties agree that those provisions of this Arrangement Letter which, by their context, are intended to survive, including, but not limited to, payment, limitations on liability, claim resolution, use and ownership, and confidentiality obligations, shall survive the termination of this Arrangement Letter.

Miscellaneous

We may mention your name and provide a general description of the engagement in our client lists and marketing materials, provided that RSM provides a copy of that description to the System for review and written approval (not to be unreasonably withheld, conditioned or delayed) before disseminating such client lists and marketing materials. We also may utilize Confidential Information you have provided to us in connection with this engagement for purposes of creating benchmarking data to be used by our professionals and other clients. This benchmarking data is aggregated with data from a minimum of five other entities so that users of the data are unable to associate the data with any single entity in the database.

We agree that our association with any proposed offering is not necessary, providing the System agrees to clearly indicate that we are not associated with the contents of any such official statement or memorandum. The System agrees that the following disclosure will be prominently displayed in any such official statement or memorandum:

RSM US LLP, our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. RSM US LLP also has not performed any procedures relating to this official statement.

The System agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, the System agrees to contact us before it includes our reports, or otherwise makes reference to us, in any public or private securities offering. Our association with an



official statement is a matter for which separate arrangements may be necessary. The System agrees to provide us with a substantially completed draft of such offering documents for our review and approval before printing, only to determine there are no material inconsistencies with our audits or material misstatements of fact and that it includes such above.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. The cost of any such additional procedures will be reflected, as appropriate, in an amendment to this Arrangement Letter or a separate writing, in each case signed by the authorized representatives of both parties.

Notices

Unless otherwise expressly agreed upon by the parties in this Arrangement Letter, all notices required to be given hereunder will be in writing and addressed to the party at the business address provided in this Arrangement Letter, or such other address as such party may indicate by a notice delivered to the other party. A copy of any legal notice (e.g., any claimed breach or termination of this Arrangement Letter) sent by the System to RSM shall also be sent to the following address: Office of the General Counsel, RSM US LLP, 200 South Wacker Drive, Suite 3900, Chicago, IL 60606 and a copy of any legal notices sent by RSM shall also be sent to the Legal Department, Memorial Healthcare System, 3111 Stirling Road, Hollywood, FL 33312, Attention: General Counsel. Except as otherwise expressly provided in this Arrangement Letter, notices hereunder will be deemed given and effective: (i) if personally delivered, upon delivery; (ii) if sent by registered or certified mail or by overnight courier service with tracking capabilities, upon receipt; and, (iii) if sent by electronic mail (without indication of delivery failure), at such time as the party that sent the notice receives confirmation of receipt, whether by read-receipt confirmation or otherwise.

Governing Law

This Arrangement Letter, including, without limitation, its validity, interpretation, construction, and enforceability, and any dispute, litigation, suit, action, claim, or other legal proceeding arising out of, from, or relating in any way to this Arrangement Letter, any provisions herein, a report issued or the services provided hereunder, will be governed and construed in accordance with the laws of the State of Florida, without regard to its conflict of law principles, and applicable U.S. federal law.

Entire Agreement

This Arrangement Letter, the Addendum, and the BAA constitute the complete and exclusive statement of agreement between RSM and the System, and supersedes all prior agreements, understandings, and proposals, whether oral or written, relating to the subject matter of this Arrangement Letter.

If any term or provision of this Arrangement Letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

This Arrangement Letter may be amended or modified only by a written instrument executed by both parties.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this Arrangement Letter or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (a) to be "written" or "in writing," (b) to have been signed and (c) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not



limited to, (a) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (b) an electronic copy of a traditional signature affixed to a document, (c) a signature incorporated into a document utilizing touchscreen capabilities or (d) a digital signature. This Arrangement Letter may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Please sign and return a copy of this Arrangement Letter to indicate your acknowledgment of, and agreement with, the arrangements for our audits of the financial statements, including our respective responsibilities and to indicate your acknowledgment of, and agreement with, the arrangements for the examination we are to perform with respect to the System's compliance with the Specified Requirements, including our respective responsibilities.

Acknowledgement and Acceptance

Each party acknowledges that it has read and agrees to all of the terms and conditions contained herein. Each party and its signatory below represents that said signatory is a duly authorized representative of such party and has the requisite power and authority to bind such party to the undertakings and obligations contained herein.

AGREED TO AND ACKNOWLEDGED BY:

RSM US LLP



Carlos Hernandez, Partner

Confirmed on behalf of South Broward Hospital District, d/b/a Memorial Healthcare System:



Douglas A. Harrison, Board Chair

11/24/2021

Date



Aurelio M. Fernandez, III, President and CEO

11/18/21

Date



David Smith, Executive VP and CFO

11/17/21

Date



ADDENDUM TO AGREEMENT

THIS ADDENDUM TO AGREEMENT (“Addendum”) amends that certain Letter Arrangement (hereinafter referred to as “Agreement”) by and between RSM US LLP (hereinafter referred to as “**Company**”) and SOUTH BROWARD HOSPITAL DISTRICT D/B/A MEMORIAL HEALTHCARE SYSTEM (hereinafter referred to as “**Memorial**,” Company and Memorial shall each be referred to individually as a “Party” and collectively as the “Parties”) entered into contemporaneously herewith and effective thereon, as follows:

1) Effective as of the effective date of the Agreement, the following sections shall be added to the Agreement:

Indemnity. Subject to the limitations contained in the Agreement, Company agrees to indemnify and hold Memorial and its employees, directors, officers, commissioners and agents (collectively, the “Indemnitee(s)”) harmless from and against any and all claims and associated liabilities (including vicarious liability), obligations, damages, judgments, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorney’s fees at all levels including appeals) imposed upon or incurred by or asserted against any of the Indemnitees (“Claim(s)”) for damages to the extent that any such Claim is found to have been caused by the willful or negligent acts or omissions of Company, its employees or agents in connection with the Agreement, provided that Memorial provides the indemnifying party with prompt notice of the Claim and good faith cooperation in the defense of the Claim.

Self-Insurance. Memorial shall self-insure, pursuant to Ch. 768.28, Fla. Stat., for its liability for tort claims associated with the acts or omissions of its agents and employees, and will, to the extent of the amount of the limit of tort liability specified under Ch. 768.28, Fla. Stat., indemnify the Company, for, and defend it against, tort liabilities sought to be imposed upon the Company solely as a result of the actual or alleged liability for the acts or omissions of Memorial, or its employees or agents acting within the scope of their duties for Memorial. The duty to defend may be satisfied by providing a defense in kind, or, at Memorial's option, by paying the reasonable attorney's fees and expenses of litigation, and that duty and the duty to indemnify shall terminate and be discharged by the settlement of such claim, or satisfaction of any judgment arising from any such claim, in whole or in part, provided, however, that nothing in this Section requires payment by Memorial in excess of the amount of Memorial's statutorily-limited tort liability under Ch. 768.28, Fla. Stat. Nothing in the Agreement shall be deemed to require indemnification by Memorial of any party for an amount greater than the limitation of liability for tort claims under Ch. 768.28, Fla. Stat., or otherwise operate to increase Memorial’s limitations of liability for tort claims under Ch. 768.28, Fla. Stat., or waive any immunity under applicable law, or to create liability or responsibility on the part of Memorial for the acts or omissions of any party other than itself, its agents, and its employees.

Limitation of Liability. Notwithstanding any provision of this Addendum or the Agreement to which it is applicable, other than the compensation to be paid to Company under said Agreement, Memorial shall not be liable or responsible to Company beyond the monetary limits specified in Ch. 768.28, Fla. Stat., regardless of whether said liability be based in tort, contract, indemnity or otherwise; and in no event shall Memorial be liable to Company for punitive or exemplary damages or for lost profits or consequential damages.



Non-Discrimination. During performance of the Agreement, Company and any subcontractor and/or joint venturer shall not discriminate on the basis of race, color, gender, national origin, sexual orientation, age, disability, sex, pregnancy, religion, veteran status, military service, marital status, genetic information or any other status specifically protected by all applicable laws, in the provision of services and goods to Memorial, the solicitation for or purchase of goods and/or services, or the subcontracting of work in the performance of the Agreement.

Vendor Anti-Harassment. During the performance of the Agreement, neither the Company nor any subcontractor nor any person on their/its behalf shall in any manner engage in sexual and/or any other harassment based on race, color, gender, religion, national origin, disability, marital status, sexual orientation, veteran status, age, pregnancy, genetic information and any other categories protected by applicable federal, state or local law, ordinance or rule.

The Company and any subcontractor shall establish and maintain a written harassment policy and shall inform their employees and/or agents of the policy. The Company and/or any subcontractor understands its obligation to abide by Memorial policies during the performance of the Agreement, including, but not limited to, Memorial's Anti-Harassment Policy, which shall be provided to the Company and any subcontractor upon request.

The Company shall include the provisions of this Anti-Harassment Clause in every subcontract so that such provisions will be binding upon each subcontractor.

A breach of this clause shall constitute a material breach of the Agreement and may result in immediate termination of the Agreement. In the event of a breach of this provision, Memorial preserves its right to avail itself of all remedies available to it in law or in equity.

Excluded Provider. Company hereby represents and warrants that Company and any of its employees that provide goods, items and/or services under the Agreement are not and at no time have been excluded from participation in any federally funded health care program or any other federally funded program or federal contract, including Medicare and Medicaid and that neither it nor any affiliate is currently included in or listed on the List of Excluded Individuals/Entities maintained by the HHS Office of Inspector General pursuant to 42 U.S.C. Sections 1320a-7, 1395ccc, 1320c-5 and regulations promulgated thereunder, which, as of the Effective Date, can be searched at the internet website <http://exclusions.oig.hhs.gov/> ("OIG List") or on the convicted vendor list or discriminatory vendor list maintained pursuant to section 287.133 or 287.134 of the Florida Statutes. Company hereby agrees to promptly notify Memorial of any exclusion of the Company or employees who are performing services pursuant to the Agreement, of which the Company is aware, from any federally funded health care program or any other federally funded program or federal contract, including Medicare and Medicaid or listing on the convicted vendor list or discriminatory vendor list maintained pursuant to section 287.133 or 287.134 of the Florida Statutes. Memorial has the right to immediately terminate the Agreement upon notice that Company is debarred, proposed for debarment, suspended, declared in eligible or excluded from participating in federal health care programs or listed on the convicted vendor list or discriminatory vendor list maintained pursuant to section 287.133 or 287.134 of the Florida Statutes. Memorial shall have the right to terminate the Agreement, upon thirty (30) days' prior written notice, if at any time Company or any permitted Company assignee fails to meet Memorial's vendor vetting and credentialing requirements. If Company fails to complete Memorial's vendor re-credentialing questionnaire within 60 days after Memorial delivers to Company notice of the commencement of the re-credentialing process, then Memorial shall have the right to withhold payment of any invoice



that otherwise becomes due and payable. Memorial shall have the right to withhold such payment until the earlier to occur of (1) Company's completion of Memorial's vendor re-credentialing questionnaire, or (2) Memorial's termination of the Agreement.

Public Records Law. Company understands that Memorial is a Political Subdivision of the State of Florida and, as such, is subject to Ch. 119, Fla. Stat., commonly known as Florida's Public Records Law. Further, Company acknowledges and agrees that it is Company's responsibility to ensure that it properly protects any information which Company deems to be exempt from disclosure under Florida's Public Records Law. A failure by Company to protect such information may constitute a waiver by Company of any applicable exemptions from disclosure including ones that may be applicable to trade secrets under Florida law. If Company enters into a contract for services with and is acting on behalf of Memorial, Company must keep and maintain the public records required to perform the services required by the Agreement ("Memorial Records"). Neither Party shall be deemed to be in breach of the Agreement for withholding records when release is not permitted by law or for disclosing records when required by law. Company acknowledges and agrees that the pricing and other compensation payable to Company under the Agreement may not be confidential, and may need to be disclosed pursuant to Florida Statute 119.

Memorial will notify Company of any instance in which the disclosure or copies of Company's confidential information is requested by any party pursuant to Chapter 119 or if there is a request for Memorial Records not within Memorial's possession. Company shall provide a copy of the requested Memorial Records or allow the Memorial Records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119 or as otherwise provided by law. If Company wishes Memorial to deny the request for disclosure or copies or any part thereof, Company must reply to Memorial as soon as reasonably possible but in no event later than eight (8) business days. Further, Company shall (i) provide Memorial with the redacted material; and (ii) advise Memorial of (a) the legal basis for claiming the information should be withheld and (b) the specific section of the Florida Statutes that exempts this material from mandatory disclosure. If Company fails to respond as required under this Section, Memorial may release the requested documents. If the party requesting the disclosure contests the legal basis for Company's withholding any of the documents, then Company will, at its sole cost, defend its position. To the extent Memorial incurs liability for costs or attorney's fees (including, without limitation, those awarded to the party requesting the disclosure) in connection with such challenge or appeal, Company agrees to indemnify and hold harmless Memorial for those costs and fees.

If Company enters into a contract for services with and is acting on behalf of Memorial, the following language is required by Florida Statute § 119.0701:

During the term of the Agreement, and following completion of the Agreement if Company maintains Memorial Records, Company will not disclose exempt or confidential and exempt Memorial Records except as authorized or required by law. Company shall meet all of the requirements for retaining Memorial Records, including, without limitation, the State of Florida's General Records Schedule GS1-SL for State and Local Government Agencies and General Records Schedule GS4 for Public Hospitals, Health Care Facilities and Medical Providers, R. 1B-24-003(1)9b) and the Florida Administrative Code and/or the State of Florida's General Records Schedule GS1-SL for State and Local Government Agencies, R. 1B-24.003(1)9a), Florida Administrative Code. Following completion of Agreement, Company may either 1) transfer to Memorial, at no cost, all Memorial Records in possession of Company, or 2) meet all applicable requirements for retaining such records. If Company transfers Memorial Records to Memorial upon



completion of the Agreement, then Company shall destroy any duplicate copies of Memorial Records that are exempt or confidential and exempt from disclosure. All Memorial Records stored electronically must be provided, upon request by Memorial, in a format that is compatible with the information technology systems of Memorial.

IF COMPANY HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE COMPANY'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (954) 265-5933, MHSLEGAL@MHS.NET, AND MEMORIAL HEALTHCARE SYSTEM, ATTN: GENERAL COUNSEL, 3111 STIRLING ROAD, HOLLYWOOD, FL, 33312.

Defend Trade Secrets Act. Under the federal Defend Trade Secrets Act of 2016 (18 U.S.C. §1833(b)):

(1) An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(2) An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

Standard Medicare Disclosure. To the extent validly required pursuant to Section 1395x(v)(1)(I) of Title 42 of the United States Code and Regulations duly promulgated thereunder, (a) until the expiration of four years after the furnishing of services pursuant to the Agreement, Company shall, upon written request, make available to the United States Secretary of Health and Human Services (the "Secretary") or to the United States Comptroller General (the "Comptroller"), or any of their duly authorized representatives, a copy of the Agreement and such books, documents and records as are necessary to certify the nature and extent of the costs of the services provided by Company under the Agreement, and (b) in the event Company carries out any of its duties under the Agreement through a subcontract, with a value or cost of Ten Thousand Dollars (\$10,000.00) or more over a twelve-month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four years after the furnishing of such services pursuant to such subcontract, the related organization shall, upon written request, make available to the Secretary or the Comptroller, or any of their duly authorized representatives, a copy of such subcontract and such books, documents and records of such organization as are necessary to verify the nature and extent of such costs.

Independent Contractor. Company and Memorial are "independent contractors" and nothing in the Agreement is intended nor shall be construed to create an employer/employee or agent relationship.



Lobbying of Memorial. This Section deals with lobbying Memorial only, and does not apply to or include lobbying of any State or Federal Agency, Legislature, or other governmental authority. Company warrants that either: (A) it has not retained any “Lobbyist,” which for the purposes of this Section is a contractor, company or person, other than its own bona fide employees, to solicit or secure the Agreement and that it has not paid or agreed to pay any Lobbyist, other than its bona fide employees, any fee, commission, gift, or other consideration to solicit or secure the Agreement OR (B) any Lobbyist retained by Company who is not an employee of Company has registered with Memorial’s Office of General Counsel in accord with Memorial’s Lobbying Policy. If Company is found to have breached this warranty, Memorial may terminate the Agreement, or, at its discretion, deduct from amounts payable under the Agreement the full amount of such fee, commission, gift, or other consideration.

Invoices. Company will submit invoices to include PO number or Department Number, whichever shall apply to MHS, P.O. Box 269001, Pembroke Pines, FL 33026, Attention: Accounts Payable Department, or electronically by email to Apinvoice@mhs.net. If any invoice relates to services, Company will submit invoices within the first week of the month following the month in which the services were performed. Invoices shall be due and payable 30 days after receipt of the invoice. Incorrect or improper charges on invoices are not considered due and payable.

IRS Form W-9. No compensation shall be payable to Company for any services for which Company has not submitted IRS Form W-9 Request for Taxpayer Identification Number and Certification, when required by law.

Tax Exemption. Memorial is a tax-exempt entity (State Tax Exempt Certificate No. 85-8013912244C-5) and is not obligated to pay sales, use or other similar taxes. Company shall not apply taxes on its invoices.

Scrutinized Companies. In accordance with the requirements of F.S. 287.135 and F.S. 215.473, Company warrants and represents that it is not: 1) participating in a boycott of Israel; 2) on the Scrutinized Companies that Boycott Israel list; 3) on the Scrutinized Companies with Activities in Sudan List; 4) on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List; or 5) engaged in business operations in Syria (collectively, the “Scrutinized Companies”). During the term of the Agreement, Company shall have a continuing obligation to warrant and represent compliance with this provision and shall immediately notify Memorial if there is any change. Memorial shall have the right to immediately terminate the Agreement where under applicable law such a change would warrant termination.

HIPAA Compliance. Company entered into a Business Associate Agreement with Memorial in 2017, as subsequently amended on May 8, 2018, to cover the terms and conditions under which Company will have access to Memorial’s Protected Health Information as defined under the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) and the regulations promulgated thereunder by the United States Department of Health and Human Services (collectively, “HIPAA”), in order to perform its duties under the Agreement.

Travel Expenses. In order for travel or out of pocket expenses to be reimbursed under the Agreement, Company must comply with the applicable provisions of Memorial’s Standard Practice titled “Reimbursement of Travel, Mileage, and Expense Guidance” (the “Standard Practice”). Memorial will not reimburse Company for expenses incurred that were not pre-



authorized and properly documented as set forth in the Standard Practice. A copy of the most current version of the Standard Practice is attached as Exhibit B and is incorporated herein by reference.

Assignment. The Agreement shall be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective permitted successors and assigns. Neither Party may assign either the Agreement or any of its rights, interests, or obligations under the Agreement (whether by operation of law or otherwise) without the prior written consent of the other Party (which may be withheld for any reason). A Party may, without the consent required by the previous sentence, assign the Agreement (a) to a successor legal entity in connection with (1) the transfer, sale or other conveyance of all or substantially all of its assets, or (2) a merger or consolidation (or other similar transaction); and (b) to an Affiliate (as defined below); provided, further, that the assigning Party must give the other Party thirty (30) days' prior written notice of such assignment and any default, impairments or other objections under the Agreement (failing to provide such notice shall be deemed an intentional waiver thereof). Any other attempted assignment, transfer, conveyance or disposition by a Party of the Agreement or any of its rights, interests, or obligations under the Agreement will be null and void. Any permitted successor or assign of a Party shall assume all obligations of the assigning Party under the Agreement regardless of when arising, and will be deemed substituted for that Party under the terms of the Agreement for all purposes. No assignment will relieve, release or discharge the assigning Party of responsibility for the performance of any its obligation under the Agreement that has accrued as of the effective date of the assignment. "Affiliate" means with respect to a Party, any other legal entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, that Party where "control" means, and shall be deemed to exist if, the controlling entity owns more than 50% of the equity interests of the controlled entity.

Counterparts; Signatures. The Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall be deemed to constitute one agreement. The Parties have agreed to accept electronic signatures pursuant to the United States Electronic Signatures in Global and National Commerce Act and the Florida Uniform Electronic Transaction Act, and any document accepted, executed or agreed to in conformity with such law will be binding on both Parties the same as if it were physically executed. The affixing of the Parties of their actual signatures to this Agreement, and delivery then by facsimile or scanned copy attached to an email, shall constitute sufficient delivery, communication and record of the formation of this transaction.

- 2) In the event of conflict between the terms of this Addendum and the Agreement (including any and all attachments thereto and amendments thereof), the terms of this Addendum shall prevail.
- 3) Except as specifically amended or modified herein, the Parties do hereby ratify and confirm in all other respects the terms and provisions of the Agreement.



IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals effective as of the effective date of the Agreement.

**SOUTH BROWARD HOSPITAL DISTRICT
D/B/A MEMORIAL HEALTHCARE SYSTEM**

RSM US LLP

By: 

By: 

Print Name: Aurelio M. Fernandez, III
President and CEO

Print Name: Carlos Hernandez

Title: _____

Title: Partner

Date: 11/18/21

Date: 11/12/2021



RSM US Privacy Policy

Effective Date July 2015 (last updated May 4, 2020)

ABOUT THIS POLICY

This policy provides notice of our information collection and use practices by RSM US LLP and its affiliates (together, “RSM,” “us,” or “we”). It applies to information that we collect from you when you interact with us. This applies to both online and offline information collection, including your use of any websites or subdomains operated by us. Your use of this platform indicates you agree to our collection, use, and disclosure of your information as described in this Privacy Policy.

COULD RSM HAVE YOUR INFORMATION?

RSM connects with individuals for many different reasons. Those interactions may result in us directly or indirectly gaining access to information about you. By identifying the category or categories of your relationship with RSM, set out below, you will be able to easily understand what categories of information we may collect about you, our purpose for collecting your information, and whether we share your information with others.

Employment

- As a Principal or Partner
- As an Employee
- As a Contractor or Intern As an Applicant or Prospective Applicant for employment at RSM
- As a result of an RSM Employee or Applicant’s disclosure (for instance, emergency contact, tax dependent, reference)

Our Clients

- As an Individual Client of RSM
- As an Employee of a Corporate Client of RSM
- As a result of an interaction you had with a RSM Client (for instance, you are a customer of a Client for whom we audit invoices)

RSM Alliance Groups & RSM International

- As an employee of a member of an RSM Alliance
- As a result of an interaction you had with an RSM International firm

RSM Corporate Relationship

- As an employee, owner, or operator of an RSM Service Provider or Third Party Vendor
- As a result of an interaction you had with the RSM Foundation
- As a result of your connection with an RSM Scholarship Program

General Public Interactions

- As a visitor to RSM websites
- As a participant at an RSM event, training program, or conference
- As a participant or guest at an RSM hosted public event (e.g. The RSM Classic PGA TOUR Event)



CATEGORIES OF INFORMATION WE COLLECT

Depending on your relationship with RSM we may collect specific categories of information about you. Below is a description of categories of information that we may collect, with each followed by a list of the relationship group(s) (i.e., the groups noted above) with respect to which we may collect that category of information.

Personal Identifiers and Demographic Information

This includes: state and federally protected classes of individual information, contact information such as your name, phone number and email, and other types of general information that may be used to identify you.

- Employment
- Our Clients
- RSM Alliance Groups & RSM International
- RSM Corporate Relationship
- General Public Interactions

Client Relationship Information

This includes information that we may request from you or you may choose to provide for our records about you as a client and the services we provide you. This may include things such as your business contact information, your background/history, services you have obtained from us, unique identification numbers associated with you, and other information our client servers may gather about you to serve you better, such as family members' names.

- Our Clients
- RSM Alliance Groups & RSM International

Client Financial Services Information

This category includes the information we may request from you or you may choose to provide RSM as part of financial services that we provide you, such as tax filings and wealth management. This information may include compensation plans, information necessary for tax filings and other state or federal disclosures, corporate records, investments, and other similar types of information.

- Our Clients
- RSM Alliance Groups & RSM International

Health Information

The types of information in this category may include dietary or allergy restrictions, disabilities, items related to your insurance or insurance claims, information found in medical charts such as date of admittance, diagnosis and prescriptions, and other health information.

Our access to your health information most often comes from dietary and allergy restrictions you provide us when you attend a catered event. Additionally, your health information may be provided to us either directly from you, your employer or in connection with a client as part of providing tax, audit or consulting services where required for the services provided (such as an audit of hospital billing records). We also have health information related to our employees' use of our insurance plan.

- Employment
- Our Clients
- RSM Alliance Groups & RSM International
- RSM Corporate Relationship
- General Public Interactions



Biometric & Bodily Information

Not to be confused with Health Information, this category refers to types of information such as DNA, photographs, audio/visual recordings, and various bodily scans like facial or fingerprint scans. It also includes sensory information that may be used to identify you.

We have a limited amount of Biometric & Bodily Information. We may have photographs either provided by you or for security purposes and building access. Additionally we have audio/visual recordings for training and conference events, and at your choosing you may provide us with fingerprint and facial scans to access certain physical or electronic environments or to showcase innovative technologies we may offer as your service provider.

- Employment
- Our Clients
- RSM Alliance Groups & RSM International
- RSM Corporate Relationship
- General Public Interactions

Internet or Network Activities

This category includes information we gather when you interact with our websites or systems, such as IP (internet protocol) address, search history, completion of web forms, session IDs, as well as other site usage information gathered through cookies hosted on our website. Our [Cookie Policy](#) will provide you with more information about our cookies and how we use them to enhance your experience and better serve you.

- Employment
- Our Clients
- RSM Alliance Groups & RSM International
- RSM Corporate Relationship
- General Public Interactions

Location Data

This category include things like your city, state, country and time zone. Although not often collected by RSM, location data may also include the global latitude and longitude of your location.

- Employment
- Our Clients
- RSM Alliance Groups & RSM International
- RSM Corporate Relationship
- General Public Interactions

Employment Information

This category includes any information related to your previous and current employment. This includes your employer, compensation, title, and information found on W2s and other similar types of tax documents. Additionally, we may have information for direct deposits, information contained in your resume and cover letter, IDs for company issued equipment, and any information related to your application or employment at RSM.

- Employment
- Our Clients
- RSM Alliance Groups & RSM International
- RSM Corporate Relationship
- General Public Interactions

Education Information



This category includes information such as where you attended school, degrees you obtained, areas of study, graduation date, scholarships awarded, school email and grade point average (GPA). Usually we have this information because you applied for a position with RSM, participated in a RSM Scholarship program, or you otherwise provided the information directly to us. Occasionally we provide audit services to educational institutions where we may have access to your education information as a result.

- Employment
- Our Clients
- RSM Alliance Groups & RSM International
- RSM Corporate Relationship
- General Public Interactions

Internal Corporate Information

This category refers to the information that RSM may have in the course of performing our internal business and financial operations. This may include information about our Service Providers and 3rd Party vendors' employees, business contacts including billing contacts, address and location, and services provided.

- RSM Corporate Relationship

Inference Data

Inference data refers to any assumptions, conclusions and assertions we may come to about someone, such as predispositions, preferences, risk level and risk tolerance, and abilities and characteristics. These inferences are based on information from the above categories.

- Employment
- Our Clients
- RSM Alliance Groups & RSM International
- RSM Corporate Relationship
- General Public Interactions

BUSINESS PURPOSES FOR INFORMATION USE

Keeping in mind your relationship with RSM and the categories of information we collect based on that relationship,

We may use your categories of information for **Business Development, Marketing and Event Management**. This business purpose includes activities like and similar to:

- Lead Generation
- Travel and Expense Reporting
- Marketing campaigns by mail or email or through our website
- Hosting internal conferences and training for Clients and Employees
- Hosting and sponsoring external events for our employees, clients, and the general public (e.g. RSM Classic PGA Tournament)

We may use your categories of information to **Provide Our Clients with Services**. This business purpose includes activities like and similar to:

- Client Services & Invoicing
- User Registration & Access Rights Monitoring
- Tax Preparation & Filings
- Outsourced Business Services



- Investments and Financial Portfolio Management

We may use your categories of information so we can **Manage our Client Relationship with You**. This business purpose includes activities like and similar to:

- Event Management & Registration
- Client On-/Off-boarding & Communication Outreach
- Physical Building Access to RSM offices
- Credit Review and Background Screening
- Contract Engagement, Engagement Letters, and Other Contractual Obligations

We may use your categories of information to **Assist RSM's Philanthropic Work, Promote the RSM's Foundation and Provide Scholarships**. This business purpose includes activities like and similar to:

- Birdies Fore Love Charity Participation
- Family and Friends Week Participation
- Annual Employee Volunteer Week Participation
- Collegiate Scholarship Awards (applicants and recipients)
- RSM US Foundation Sponsored Events Participation

We may use your categories of information to Comply with **RSM's Legal, Professional and Regulatory Obligations**. This business purpose includes activities like and similar to:

- Data Subject Access Request Processing
- Background Screenings
- Data Loss Prevention and Security Monitoring
- Professional Certifications and Ethical Compliance
- Payroll Processing, Reporting, and Administration
- Personnel and Incident Investigations & Litigation Matters
- Regulatory & Government Compliance Matters
- Government Requests and Subpoena Responses
- Corporate Insurance Management

We may use your categories of information to ensure we are **Fulfilling Our Obligations to Our Employees as their Employer**. This business purpose includes activities like and similar to:

- Credit Review and Background Screening
- Services for Alumni Partners and Principals
- Employee Insurance, Benefits, and Leaves of Absence
- Personnel Compensation, Travel, and Expense Reporting & Reimbursement
- Employee Management, Lifecycle & Records

We may use your categories of information ensure the **Physical and Electronic Security of RSM**. This business purpose includes activities like and similar to:

- Mobile Device Management System
- Network Monitoring & Online Intrusion Detection
- Physical, Technical, and Administrative Security Reviews
- Digital User Registration & Access Monitoring
- Video Surveillance & Building Access Monitoring



We may use your categories of information as part of our process for **Manage our Service Providers and 3rd Party Vendors**. This business purpose includes activities like and similar to:

- Order Processing
- Vendor Payment Reconciliation
- Accounts Receivable & Payable Processing
- Vendor Assessments & Security Evaluations
- Vendor Agreement negotiations, executions, and implementations

We may use your categories of information to **Perform our Internal Business Operations**. This business purpose includes activities like and similar to:

- Real Estate Management & Development
- Strategic Enhancements & New Service Development
- Building, Office and Day to Day Business Operations
- Systems Implementation & Support Services
- Insurance, Tax, and Payroll Preparation & Filing

Please note, we use all categories as otherwise permitted by law or as we may notify you. If your consent is required by law, we will obtain your consent prior to the use and/or collection of your information.

OUR SOURCES OF INFORMATION & HOW WE COLLECT INFORMATION

We collect categories of information in a few different ways.

You or Your Legal Representative / Authorized Agent is our main source when collecting your information in **all of the categories** above. We collect your information through a variety of different methods:

- Emails
- In Person
- Over the Phone
- Employment Applications
- Electronic Files (e.g. pdfs, word docs, ppt.)
- Scholarship Applications
- Charitable Contributions
- Event Registration Forms
- Web Forms, including Data Subject Access Requests
- Paper Documents

Our Clients are another source for collecting your information in **all of the categories** above. We collect your information through several different methods:

- Emails
- In Person
- Over the Phone
- Workspace Collaboration Sites
- Electronic Files (e.g. pdfs, word docs, ppt.)
- Integrations, APIs, File Transfer Sites.
- Database and Data Warehouse Access
- Event Registration Forms
- Paper Documents



Our Website Cookies and your interaction with our website is an additional source for collecting your information for four of the categories above: **Personal Identifiers and Demographic Information, Internet or Network Activities, Location Data, and Inference Data.** We collect your information through a few different methods:

- Pixels
- Tags
- Tracking Cookies
- Marketing Cookies
- Analytic Cookies

Our **Cookie Policy** will provide you with more information about our cookies and how we use them to enhance your experience and better serve you.

Our Business Partnerships, Service Providers & 3rd Party Vendors are another source for collecting your information in **all of the categories** above. We collect your information through several different methods:

- Email
- In Person
- Over the Phone
- Event Sponsorship Forms & Rosters
- Contracts, including Service Agreements and Statements of Work
- Web Forms
- User Account Portals
- Electronic Files (e.g. pdfs, word docs, ppt.)
- Paper Documents
- Integrations, APIs, File Transfer Sites

Educational Institutes, Professional & Government Licensing Groups and your interaction with these groups is an additional source for collecting your information for six of the categories above: **Personal Identifiers and Demographic Information, Biometric Bodily Information, Location Data, Employment Information, Educational Information, and Inference Data.** We collect your information through a few different methods:

- Email
- In Person
- Over the Phone
- User Account Portals
- Paper Documents
- Web Forms
- Electronic Files (e.g. pdfs, word docs, ppt.)

Publicly Available Sources another source for collecting your information for six of the categories above: **Personal Identifiers and Demographic Information, Client Relationship Information, Biometric Bodily Information, Location Data, Employment Information, Educational Information and Inference Data.** We collect your information through a few different methods:

- Social Media
- Websites (such as professional networking sites & online searches)
- Online Professional Forums
- Magazine, Newspaper, Blogs, and Other Reporting Media
- White Papers and Other Peer Review Publications

WE COMBINE INFORMATION



We combine information we collect from you on the website with information we receive from you in person, by email, or by other forms of communication. We also combine information you provide with information we obtain from third parties, service providers, and our affiliates.

WHEN WE SHARE INFORMATION WITH OTHERS

On an as needed and case by case basis, we may share **all categories of information** above with third parties, service providers, and others as described here:

We share information with our affiliates. This includes current and future affiliates, RSM International member firms, and other related entities (including RSM Canada LLP, RSM Alberta LLP and RSM Canada Consulting LP). We will share this information for our business purposes, business and service development and enhancement strategies, and to otherwise engage in the activities described in this Privacy Policy. We share information with other firms in the RSM International network when providing services to clients with global needs.

We share information with vendors and service providers. We share personal information with vendors who provide services to us. Refer to the above chart, Categories of Information We Collect, to see the types of information that may be relevant to you.

Our Service Providers are categorized in at least one of the following categories based on the services they provide RSM:

- Business & Finance Operational Services (such as travel reimbursement, payroll processing, recruitment, AR/AP processing, or other similar services)
- Legal, Compliance and Advisory Services (such as attorneys, financial advisors, external consultants, or other similar services)
- Education & Professional Development Services (such as training, professional licensing, continuing professional education or other similar services)
- Telecommunication & Mobile Services (such as telephone systems and inter office messaging services)
- Network, Datacenters & Infrastructure Services (such as internet, intranet, email, software and system architecture)
- Marketing, Events & Communication Services (such as hosted events, hotel & catering services, sporting events, newsletters, email marketing and other similar services)

We share information with government and regulatory authorities. We share information with government and regulatory authorities in the course of providing services to you, such as preparation of tax returns.

We share information if we must in order to comply with law or to protect our legal interests. We may share information we collect about you to respond to a court order or subpoena. We may share information in response to a government agency or investigatory body request. This may include sharing information with the US or Canadian government. We may share information if necessary to prevent physical harm or financial loss. We may share information we collect when we are investigating potential fraud or other illegal activity.

We share information with any successor to all or part of our business. If all or part of our business is sold, we will share information as a part of that transaction. If there is a merger or acquisition, we will also share your information. We will also share information as part of a financing or bankruptcy.

We share information as permitted by law and for other reasons we may describe to you.

YOU HAVE CERTAIN CHOICES

We provide you with the following options about how we use information:



EVERYONE

You can opt out of receiving our emails. You can change your mind if you signed up to receive email newsletters, alerts or other marketing emails. To unsubscribe, click the link located at the bottom of our marketing emails. If you opt out of receiving marketing messages, you will still get non-marketing messages. If you object to our use of your information for direct marketing purposes, please email us at nationaldatateam@rsmus.com.

You can control cookies and tracking tools. [Click here](#) to learn more about how we use cookies and other tracking tools.

CALIFORNIA RESIDENTS

As of January 1, 2020, the California Consumer Privacy Act gives you or your Proxy the right to make certain requests of RSM regarding information that we collect about you. We will not discriminate against you because you have exercised any of your rights under the California Consumer Privacy Act.

Your Rights under the California Consumer Privacy Act

- Request what categories of information we collect (which may also be referenced above in *Categories of Information We Collect*)
- Request that a copy of your information be provided to you
- Request that your information be deleted
- Request what categories of Service Providers and 3rd Parties we share your information with

RSM's Verification Process

Before we can begin to process your request, we must first verify your identity. We will use the following points of information for our verification process.

- A unique ID assigned to you by RSM (e.g. Client ID, Vendor ID)
- RSM Line of Business(es) you are associated with
- Email Address
- Full Name
- Phone Number
- Mailing Address
- Employer, Service Provider, 3rd Party Vendor or Organization's Name you are associated with

Request made for **categories of information about you** require that we verify your identity using at least two of the points of information listed above.

Requests made for **specific information** require that we use at least three points of information listed above. Additionally you will be required to provide a document signed under penalty of perjury affirming that you are the consumer who you are making the information request about.

For requests made for the **deletion of information** RSM will require two or three of the points of information above, depending on the sensitivity of the information requested to be deleted.

Proxy Requests. Requests made by a California resident's proxy will follow the same Verification Process as above. Additionally a proxy is required to provide to RSM a notarized attestation that they are the California resident's authorized legal representative.



How To Make A Request. You or your Proxy may make a request by selecting the “California Consumer Data Request” button on this page or you may submit your request to us by phone at 1-800-274-3978. An RSM customer service representative will collect the necessary information from you and provide you with details about how you can provide RSM with any additional documentation that may be necessary.

Sales of Information of California Resident. We do not sell California residents’ personal information, including personal information of minors under the age of 16.

NEVADA RESIDENTS

Sale of information of Nevada Residents. We do not exchange Nevada residents’ personal information for money with anyone so they may license or sell the personal information to additional parties. We do not sell personal information of minors under the age of 16.

EUROPEAN UNION RESIDENTS

If you reside in the European Union you may have certain additional rights. EU residents may be able to ask us to restrict how we process information, such as if you believe it is inaccurate, or if you believe that the processing is unlawful but you do not want us to delete the information. It may also apply if we no longer need your information for the purposes described to you but you do not want us to delete it because you need to establish, exercise, or defend a legal claim. It also may apply if you object to profiling or direct marketing. You may also have the right to data portability. Requests may be submitted to dataprivacyoffice@rsmus.com.

Our basis for processing information subject to General Data Protection Regulation (GDPR) is typically to perform a contract. Performance of a contract includes responding to your requests. We also process information based on compliance with our legal obligations. From time to time our basis for processing is also consent or legitimate interest.

CANADA RESIDENTS

If you reside in Canada you have certain additional rights. Canadian residents may be able to request access and correction of personal data. Requests may be submitted to dataprivacyoffice@rsmus.com.

WE USE REASONABLE SECURITY MEASURES

We use standard and reasonable security measures. The Internet is not 100% secure. We cannot promise that your use of our sites or apps will be completely safe. We encourage you to use caution when using the Internet.

We keep personal information as long as it is legally required, necessary or relevant for the practices described in this Privacy Policy, including the purpose for which we originally collected your information.

WHERE WE STORE INFORMATION

You understand and agree that we may transfer, process and store your information to the US, Canada, El Salvador, India, the United Kingdom, or other countries. Our affiliates or other third party service providers may also transfer, process, or store your information in the US or other countries. Our sites and businesses are subject to US laws, which may not afford the same level of protection as those in your country.

THIRD PARTY LINKS AND TOOLS

We may link to other sites or apps or have third party services on our platforms that we do not control. If you click on a third party link, you will be taken to a platform we do not control. This policy does not apply to the privacy



practices of that website or platform. Read other companies' privacy policies carefully. We are not responsible for these third parties. Our site may also serve third party content that contains their own cookies or tracking technologies. We do not control the use of those technologies.

INFORMATION COLLECTION FROM CHILDREN

Our sites and apps are meant for adults. We do not knowingly collect personally identifiable information from children under 13 without permission from a parent or guardian. If you are a parent or legal guardian and think your child has given us information, you can email or write to us. Use the address information in the contact us section below. Parents, you can learn more about how to protect children's privacy on-line [here](#).

YOU CAN CONTACT US

If you have any questions about this Policy or our data practices, you can write to us at:

Attn: Data Privacy Office
200 S. Wacker Drive
Suite 3900
Chicago, IL 60606

You can call us at 1-800-274-3978. You can email us at dataprivacyoffice@rsmus.com.

WE MAY UPDATE THIS POLICY

From time to time we may change our privacy policies. We will notify you of any material changes to our Policy as required by law. We will also post an updated copy on our website. Please check our site periodically for updates.



Report on the Firm's System of Quality Control

To the Partners of RSM US LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of RSM US LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, audits of broker-dealers and examinations of service organizations [SOC 1 and SOC 2 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of RSM US LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. RSM US LLP has received a peer review rating of *pass*.

BKD, LLP



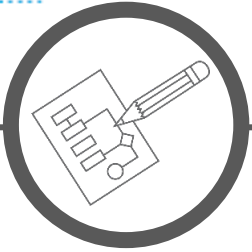
December 5, 2019



RSM AUDIT INNOVATION

South Broward Hospital District d/b/a Memorial
Healthcare System FY 2023 Plan

Data Analytics Current-to-Future State

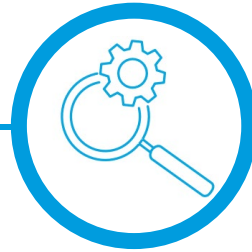


CURRENT STATE / OPPORTUNITIES TO IMPROVE

DA tools limited to IDEA and Excel

Low adoption of DA tools

Limited DA capabilities on engagement teams



TRANSFORMATION INITIATIVES

Audit Data Analytics Center of Excellence

A highly skilled centralized team to transform the execution of our audits by utilizing DA tools

Info Ingest & Validis

Leading client collaboration and data ETL solutions

PowerBI

Data visualization and business intelligence tool

Alteryx

Industry leading business intelligence and analytics platform



FUTURE STATE

Broad Adoption/ Application of DA tools

Generate and share valuable insights with clients

Streamline the audit process by leveraging DA technology

Enable us to serve increasingly sophisticated clients

Move to a more data driven approach and deliver a more relevant audit

Current Audit Data Analytics Projects



Establish a highly skilled centralized team to transform the execution of our audits to utilize DA tools



Client collaboration and data ETL solutions to streamline our PBC and data acquisition process



Explore Alteryx and determine it's functionality and impact on audit efficiency and effectiveness, risk implications, and client services



Data visualization and business intelligence tool to create interactive data analytics dashboards





QUESTIONS AND ANSWERS?



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RSM US LLP is the leading provider of audit, tax and consulting services focused on the middle market, with more than 9,000 people in 86 offices nationwide. It is a licensed CPA firm and the U.S. member of RSM International, a global network of independent audit, tax and consulting firms with more than 38,300 people in over 120 countries. RSM uses its deep understanding of the needs and aspirations of clients to help them succeed.

For more information, visit www.rsmus.com, like us on Facebook at [RSM US LLP](https://www.facebook.com/RSMUSLLP), follow us on Twitter [@RSMUSLLP](https://twitter.com/RSMUSLLP) and/or connect with us on [LinkedIn](https://www.linkedin.com/company/rsm-us-llp).

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