

MINUTES OF MEETING  
OF THE  
HOSPITAL AUTHORITY OF COLUMBUS, GEORGIA  
July 28, 2020

A regularly scheduled meeting of the Hospital Authority of Columbus, Georgia (HAC) was held at 11:00 a.m. on Tuesday, July 28, 2020. The meeting was held by conference call due to the COVID-19 Pandemic. A notice was emailed to each member. A copy of the notice was posted more than 24 hours before the meeting on the door of the building in which the meeting was held on Monday, July 27, 2020. Participating in the conference call meeting were Chairman, Ernie Smallman, Vice Chairman, Sarah Lang, Betty Tatum, Mike Welch, Dr. John Kingsbury, Cynthia Jordan and Jennings Chester. Susan McKnight was excused.

Frank Morast, President, Britt Hayes, Vice President, Rick Alibozek, CFO and Kenneth M. Henson, Jr., Secretary/Attorney also participated in the conference call meeting.

INVOCATION AND WELCOME

Chairman, Ernie Smallman called the meeting to order. He welcomed everyone to the meeting. Britt Hayes gave an invocation.

DETERMINATION OF QUORUM

Chairman, Ernie Smallman presided and determined that there was a quorum.

MINUTES

The Board Minutes from the June 30, 2020 Board Meeting were reviewed and on motion made by Betty Tatum and seconded by Sarah Lang the June 30, 2020 Minutes were unanimously approved by the Board.

BOARD BUSINESS

On motion made by Warner Kennon and seconded by Mike Welch, the HAC adopted the attached Resolution Approving Bonds to be Issued by the Americus and Sumter County Hospital Authority.

PRESIDENT'S REPORT

CEO Frank Morast gave the President's Report.

**Construction Report / Ridgecrest:** Frank reported the construction of Ridgecrest is progressing with no real problems. The flooring is currently being installed. The kitchen and laundry equipment has

been delivered and is being installed. Frank anticipates that Ridgecrest will be ready for occupancy sooner than originally scheduled but has yet to determine how to occupy it with the COVID-19 virus.

**Bibb Mill:** The cleanup at Bibb Mill has started. When the Bibb Mill property was purchased, an environmental report showed there were contaminants under the original mill that burned. The contaminants came from the mill and from a dry cleaner across the street. Frank has been trying to find a time to clean up this area and not disrupt the Bill Mill. Because the COVID-19 virus stopped most events at the Bill Mill, this was a good time to do the cleanup. The cleanup has started and should finish within the next two or three weeks. The estimated costs are \$250,000.00.

**COVID-19:** Britt gave a report on COVID-19. The state did a control inspection. Muscogee Manor had two minor infractions which have been corrected. Orchard View had no infractions. Azalea Trace is waiting for their report to be completed. Britt reported that every Friday he gives a COVID-19 status report to the executive committee with the current testing results, hospitalizations and deaths.

Last week, 95% of the residents and staff were again tested. There were two additional positive residents at Muscogee Manor and company-wide there were 14 staff that tested positive. There has been a reduction in the number of residents currently being treated for COVID-19. Britt anticipates the HAC will continue to have mass testing.

The HAC still has enough personal protection equipment at all three homes. N-95 masks are in short supply and whenever they get N-95 masks at Orchard View or Azalea Trace, they send them to Muscogee Manor because that is the home where they are treating the COVID-19 patients.

**Cobis Personal Care Home:** Frank reported that the goal has been to close Cobis on August 1, 2020. He is still hoping to close and secure it without incurring a lot of costs within the next two weeks.

#### CFO REPORT

Rick Alibozek gave the Statistical Report and the Financial Report. A copy of the Statistical Report and Financial Report was emailed to each Board Member.

Rick reported that census levels are at a 5-year low. Muscogee manor is well positioned to work through this low census with \$26,000,000 in cash. This cash cushion will allow them to work through even lower census levels.

Rick reported that the yearend audit had begun. The auditors will work remotely and the HAC has provided the information by email. The preliminary work has been completed. There are some questions on how to report and account for the stimulus payments that have been received. Rick anticipates that the audit will be completed in early September, but it cannot be finalized until the pension numbers from the City are added to the final audit report. In the past, the City report has resulted in a \$1,000,000.00 to \$4,000,000.00 liability or expense to add to the audit.

STATISCAL REPORT

Attached to these Minutes is the FY 2020 YTD Statistical Report Year Ended June 30, 2020.

FINANCIAL REPORT

Attached to these Minutes is the Hospital Authority of Columbus Consolidated Summary Report Month Ended May 31, 2020.

NEXT MEETING

The next meeting will be Tuesday, August 25, 2020.

There being no further business the meeting was adjourned.



KENNETH M. HENSON, JR.  
Secretary



ERNEST SMALLMAN, IV.  
Chairman

HOSPITAL AUTHORITY OF COLUMBIUS  
 FY 2020 YTD Statistical Report  
 Year Ended June 30, 2020

	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	August	July	Average	Prior Year
<b>Orchard View</b>														
% Occupancy	72.82%	76.13%	79.57%	84.85%	83.57%	82.71%	83.47%	87.38%	88.00%	84.12%	86.50%	85.79%	82.91%	86.00%
Medicaid%	86.20%	71.69%	68.73%	82.04%	77.47%	71.26%	79.88%	60.92%	64.97%	69.84%	67.37%	67.68%	72.34%	71.65%
Medicare%	7.39%	10.91%	12.76%	15.11%	12.98%	11.82%	12.15%	14.51%	14.81%	11.19%	12.51%	15.55%	12.64%	11.95%
Private %	2.11%	12.27%	8.65%	-2.95%	4.52%	10.92%	2.71%	19.68%	14.92%	12.56%	13.63%	11.88%	9.24%	9.77%
Hospice %	3.34%	3.79%	6.85%	2.98%	1.92%	3.63%	4.02%	3.60%	4.12%	4.58%	4.08%	2.74%	3.80%	3.52%
ADV %	0.96%	1.24%	3.01%	2.82%	3.11%	2.38%	1.74%	1.29%	1.17%	1.83%	2.41%	2.16%	1.98%	3.12%
Daily Medicare and ADV Census	12.17	18.63	25.10	30.42	26.90	23.49	22.35	27.60	28.12	21.90	25.81	30.39	24.41	25.93
Employment (Full Time Equivalents)	239.00	243.48	238.33	238.93	233.55	249.95	248.35	244.60	233.72	231.17	223.83	234.68	238.30	234.63
<b>Azalea Trace</b>														
% Occupancy	71.42%	74.78%	75.97%	77.30%	75.55%	75.40%	77.24%	79.12%	79.77%	81.82%	82.11%	82.02%	77.71%	86.31%
Medicaid%	92.28%	94.31%	102.36%	91.62%	89.59%	87.40%	91.00%	96.21%	88.24%	87.37%	94.07%	90.20%	92.05%	94.99%
Medicare%	6.45%	7.10%	5.38%	7.13%	5.89%	7.00%	4.75%	3.35%	3.13%	5.96%	5.25%	5.15%	5.54%	3.11%
Private %	1.27%	-1.41%	-7.78%	0.87%	2.45%	2.61%	1.29%	-2.76%	4.96%	2.78%	-3.71%	1.11%	0.18%	-1.65%
Hospice %	0.00%	0.00%	0.04%	0.38%	0.07%	2.80%	2.39%	3.22%	3.68%	3.89%	3.36%	3.54%	2.11%	3.53%
ADV %	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%	0.57%	0.00%	0.00%	0.00%	0.53%	0.00%	0.11%	0.05%
Daily Medicare and ADV Census	5.07	5.84	4.50	6.06	4.90	5.97	4.51	2.90	2.74	5.37	5.23	4.65	4.81	3.03
Employment (Full Time Equivalents)	71.26	77.68	76.02	76.48	81.42	86.46	84.02	84.76	80.20	85.73	82.68	83.99	80.89	90.60
<b>Muscooke Manor</b>														
% Occupancy	54.33%	56.66%	62.78%	64.42%	67.36%	67.17%	65.10%	67.43%	66.49%	69.65%	66.13%	67.38%	64.58%	74.11%
Medicaid%	75.32%	79.14%	88.88%	90.37%	78.65%	83.02%	92.66%	82.52%	83.42%	85.44%	78.74%	77.98%	83.01%	80.71%
Medicare%	18.95%	14.57%	7.59%	6.80%	8.91%	6.84%	4.78%	6.14%	5.48%	7.35%	3.24%	4.82%	7.96%	6.80%
Private %	1.19%	0.00%	-4.50%	-3.12%	6.74%	1.19%	-4.64%	4.62%	2.74%	-1.10%	8.15%	8.48%	1.65%	2.82%
Hospice %	4.22%	4.82%	4.50%	3.65%	3.49%	4.63%	5.45%	4.83%	6.79%	6.50%	8.41%	8.76%	5.50%	6.98%
ADV %	0.32%	1.47%	3.53%	2.30%	2.21%	4.32%	1.75%	1.89%	1.57%	1.81%	1.46%	-0.03%	1.88%	2.69%
Daily Medicare and ADV Census	17.80	15.45	11.87	9.97	12.73	12.75	7.23	9.20	7.96	10.83	5.29	5.49	10.55	11.97
Employment (Full Time Equivalents)	144.13	148.25	146.93	146.59	153.74	177.88	167.90	163.02	157.88	146.72	146.76	151.17	153.86	170.01
<b>Cobbs</b>														
Average occupancy	5.10	9.97	10.00	9.74	10.03	10.77	10.00	10.00	11.52	12.70	12.52	12.00	10.36	13.94
Employment (Full Time Equivalents)	7.04	7.49	7.80	7.92	8.36	8.87	8.12	8.94	8.94	9.45	8.74	9.62	8.44	10.26
<b>Muscooke Home Health</b>														
Employment (Full Time Equivalents)	10.03	10.17	9.95	10.13	10.14	11.27	10.87	11.04	11.73	10.75	10.70	10.75	10.63	10.84

HOSPITAL AUTHORITY OF COLUMBUS  
CONSOLIDATED SUMMARY REPORT  
MONTH ENDED JUNE 30, 2020

	Orchard View	Home Office	Azalca Trace	Muscogee Manor	Total Nursing Home	Cobbs PCH	Muscogee Home Health	River Mill	Consolidated
<b>BALANCE SHEET</b>									
Cash	\$ 9,379,509	\$ -	\$ 8,355,741	\$ 7,661,696	\$ 25,396,946	\$ 1,274	\$ 130,210	\$ 681,062	\$ 26,209,492
Other Current Assets	1,835,854	-	660,137	1,171,954	3,667,945	7,107	139,032	3,067	3,817,151
Intercompany Balances	21,828,984	-	2,358,897	(12,894,978)	11,292,903	(6,251,201)	(1,669,464)	(3,372,238)	-
Noncurrent Assets	37,417,797	-	40,902,835	7,762,800	86,083,432	170,613	129,170	3,396,523	89,779,738
<b>Total Assets</b>	<b>\$ 70,462,144</b>	<b>\$ -</b>	<b>\$ 52,277,610</b>	<b>\$ 3,701,472</b>	<b>\$ 126,441,226</b>	<b>\$ (6,072,207)</b>	<b>\$ (1,271,052)</b>	<b>\$ 708,414</b>	<b>\$ 119,806,381</b>
Current Liabilities	\$ 1,829,170	\$ -	\$ 2,567,645	\$ 813,633	\$ 5,210,448	\$ 31,575	\$ 71,718	\$ -	\$ 5,313,741
Non-current Liabilities (excluding bonds)	9,015,209	-	3,789,852	5,547,708	18,352,769	369,832	570,397	-	19,292,998
Bonds Payable	28,185,652	-	31,908,701	-	60,094,353	-	-	-	60,094,353
<b>Total Liabilities</b>	<b>39,030,031</b>	<b>-</b>	<b>38,266,198</b>	<b>6,361,341</b>	<b>65,304,801</b>	<b>401,407</b>	<b>642,115</b>	<b>-</b>	<b>84,701,092</b>
Fund Balance	31,432,113	-	14,011,412	(2,659,869)	42,783,656	(6,473,614)	(1,913,167)	708,414	35,105,289
<b>Total Liabilities and Fund Balance</b>	<b>\$ 70,462,144</b>	<b>\$ -</b>	<b>\$ 52,277,610</b>	<b>\$ 3,701,472</b>	<b>\$ 108,088,457</b>	<b>\$ (6,072,207)</b>	<b>\$ (1,271,052)</b>	<b>\$ 708,414</b>	<b>\$ 119,806,381</b>
<b>INCOME STATEMENT</b>									
Revenue	\$ 1,303,854	\$ 42,751	\$ 671,540	\$ 955,862	\$ 2,974,007	\$ 15,299	\$ 100,459	\$ 21,523	\$ 3,111,288
Operating Expenses	1,097,934	162,164	703,297	924,659	2,883,054	30,405	82,590	1,086	2,997,135
<b>Net Profit (Loss) before Noncash expense</b>	<b>210,920</b>	<b>(119,413)</b>	<b>(31,757)</b>	<b>31,203</b>	<b>90,953</b>	<b>(15,106)</b>	<b>17,869</b>	<b>20,437</b>	<b>114,153</b>
Provision for Bad debts	(134,321)	-	(914)	(27,460)	(162,695)	-	-	-	(162,695)
Interest expense	(72,038)	-	-	-	(72,038)	-	-	-	(72,038)
Depreciation and Amortization	(90,108)	-	(233)	(23,524)	(113,865)	(667)	-	(7,708)	(122,240)
<b>Current Month Income (loss)</b>	<b>\$ (85,547)</b>	<b>\$ (119,413)</b>	<b>\$ (32,904)</b>	<b>\$ (19,781)</b>	<b>\$ (257,645)</b>	<b>\$ (15,773)</b>	<b>\$ 17,869</b>	<b>\$ 12,729</b>	<b>\$ (242,820)</b>
<b>YTD Income (loss)</b>	<b>\$ 3,533,924</b>	<b>\$ (1,082,613)</b>	<b>\$ 2,713,288</b>	<b>\$ 1,653,209</b>	<b>\$ 6,817,809</b>	<b>\$ (205,159)</b>	<b>\$ (123,316)</b>	<b>\$ 159,297</b>	<b>\$ 6,648,631</b>

RESOLUTION APPROVING BONDS TO BE ISSUED BY THE  
AMERICUS AND SUMTER COUNTY HOSPITAL AUTHORITY

WHEREAS, Magnolia Manor, Inc. and Magnolia Manor of Columbus, Inc., each a Georgia nonprofit corporation (collectively, the "**Obligors**"), wish to refinance and improve certain senior housing facilities, extended care facilities, and nursing home facilities in various locations within the State of Georgia; and

WHEREAS, on June 9, 2020 the Americus and Sumter County Hospital Authority (the "**Americus-Sumter Hospital Authority**") adopted a resolution authorizing the issuance of its revenue bonds to be designated "Americus and Sumter County Hospital Authority Revenue Refunding and Improvement Bonds (Magnolia Manor Obligated Group) Series 2020" in an aggregate principal amount not to exceed \$55,000,000 (the "**Bonds**") and lending the proceeds of the Bonds to the Borrower for the purpose of providing funds to: (a) refinance a loan from TD Bank, N.A., the proceeds of which were used to purchase a portion of the Outstanding Americus-Sumter County Hospital Authority Refunding Revenue Bonds (Magnolia Manor Obligated Group) Series 2013A (the "**Series 2013 Bonds**") that will be cancelled, (b) defease and refund a portion of the Series 2013 Bonds, (c) refinance certain loans used to acquire facilities owned by the Obligors, (d) reimburse certain capital expenditures made by the Obligors, (e) pay for certain improvements to the Obligors' facilities, and (f) pay certain costs associated with the issuance of the Bonds; and

WHEREAS, among the facilities proposed to be refinanced with the proceeds of the Bonds are Magnolia Manor East, an approximately 210-bed skilled nursing facility located at 2010 Warm Springs Road, Columbus, Georgia, Magnolia Manor West, an approximately 166-bed skilled nursing facility located at 2000 Warm Springs Road, Columbus, Georgia, Columbus Assisted Living, an approximately 44-unit assisted living facility located at 2040 Warm Springs Road, Columbus, Georgia (collectively, the "**Columbus Facilities**") that are owned and operated by Magnolia Manor of Columbus, Inc.; and

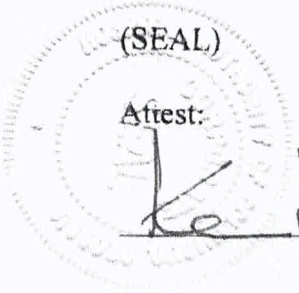
WHEREAS, the Hospital Authorities Law, O.C.G.A. § 31-7-71(1), provides that the "area of operation" of hospital authority, including the Americus-Sumter Hospital Authority, is "the area within the city or county activating an authority. Such term shall also mean any other city or county in which the authority wishes to operate, provided the governing authorities and the board of any hospital authorities of such city and county request or approve such operation;" and

NOW THEREFORE, BE IT RESOLVED by the Board of the Hospital Authority of Columbus, Georgia (the "**Columbus Hospital Authority**") that the operation of the Americus-Sumter Hospital Authority in the Columbus, Muscogee County, Georgia by its issuance of the Bonds to refinance the Columbus Facilities is hereby approved; provided, that in no event shall this approval constitute any obligation on the part of the Columbus Hospital Authority with respect to the Bonds.

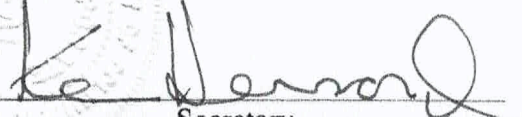
SO RESOLVED, this 28<sup>th</sup> day of July, 2020.

HOSPITAL AUTHORITY OF COLUMBUS  
GEORGIA

By:   
Chair



Attest:

  
Secretary