

MINUTES OF MEETING  
OF THE  
HOSPITAL AUTHORITY OF COLUMBUS, GEORGIA  
October 27, 2020

A regularly scheduled meeting of the Hospital Authority of Columbus, Georgia (HAC) was held at 11:00 a.m. on Tuesday, October 27, 2020. The meeting was held by conference call and Zoom 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, October 26, 2020. Participating in the conference call meeting were Betty Tatum, Warner Kennon, Cynthia Jordan, Dr. John Kingsbury and Susan McKnight. Chairman Ernie Smallman, Vice Chairman Sarah Lang, Mike Welch and Jennings Chester were excused.

Frank Morast, President, Britt Hayes, Vice President and Rick Alibozek, CFO and Kenneth M. Henson, Jr., Secretary/Attorney also participated in the conference call meeting. Kelly Thrift and Megan Knight, who are CPAs/Auditors with the firm of Dixon Hughes Goodman, LLP (“DHG”) also participated in the conference call meeting.

INVOCATION AND WELCOME

Kenneth M. Henson, Jr. called the meeting to order. He welcomed everyone to the meeting. Britt Hayes gave an invocation.

DETERMINATION OF QUORUM

Kenneth M. Henson, Jr. presided and determined that there was a quorum.

MINUTES

The Board Minutes from the September 29, 2020 Board Meeting were reviewed and on motion made by Betty Tatum and seconded by Susan McKnight the September 29, 2020 Minutes were unanimously approved by the Board.

BOARD BUSINESS

Secretary, Kenneth M. Henson, Jr. announced there was no Board business and turned the meeting over to Britt Hayes, Vice President.

PRESIDENT'S REPORT

**Annual Audit:** Kelly Thrift/Megan Knight/DHG. Megan Knight (CPA/Auditor with the firm of Dixon Hughes Goodman, LLP (“DHG”)) presented the audited financial statements of the HAC to the Board. Prior to the meeting, the draft audit report was distributed by email to the Board. She reported

that this was a clean audit. There were no difficulties with the audit. There were no misstatements. There is recurring statement every year on the approximated \$323,000 in patient accounts.

The pension disclosure comes that from the City is omitted and it does not affect the financial statement.

So, there is a clean audit letter with these notes.

The Financial Statements were discussed and analyzed on Page 3. The overall financial condition for the last three years was compared on Page 5. The Balance Sheet shows Cares Act Funding on Page 12.

There is a strong and increased net position on Page 13. Page 14 shows cash flow continuing.

The statement shows that Cobis closed 8/1/2020. Page 19 shows a breakdown of cash. On Page 20 capital assets increase and shows new facility. On Page 21 shows breakdown of long-term debt. On Page 22 changes are shown in amortization schedule. Page 23 shows a pension that the HAC contributes to Columbus, Georgia. Page 26 shows a breakdown of UPL payments with \$7.9 million in funds paid. On Page 27 \$2,164,000 from Cares Act Fund HAC was paid and HAC recognized \$621,000 as revenue for 2020. The Balance deferred to 2021 and is shown as a liability. It will hopefully be recognized as revenue in 2021. 9/19/2020 established reporting requirements under Cares Act. This guidance will not affect this Financial Statement. The consolidated statement for 2020 is shown on Page 30.

The Board will now have a week to email or call with questions and comments by 11/3/2020. The Audit Report will then be printed and issued in final form.

CEO, Frank Morast, gave the President's Report.

**Insurance Renewals:** All of the insurance policies other than worker's compensation and health insurance came up for renewal 10/1/2020. There will be increases for those two renewals. Workers compensation is sensitive to COVID-19. They will have to switch to new workers compensation provider. The current provider is leaving nursing home business.

**COVID-19:** Britt Hayes gave the COVID-19 report. A resident at Orchard View went to the hospital and was reported to be positive on Friday. The resident previously had tested positive in June. Weekly testing has resumed at Muscogee Manor. Only one person on staff since 10/1/2020 has tested positive. There is monthly testing at Azalea Trace and Orchard View.

**Construction Report / Ridgecrest:** Frank reported the Ridgecrest nursing home is 99% complete. The final paperwork has been submitted to the State of Georgia. They will start moving residents in Ridgecrest in the next 30 days. They will send photographs and will try to set up tours in small groups for Board members.

**Annual Holiday Barbeque:** There will not be an Annual Holiday Barbeque this year. They plan on having something for employees and residents.

#### 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 the occupancy is stabilized. There has been some increase.

Rick reported the HAC has a strong cash position.

Rick reported that Ridgecrest billing will be different than Azalea Trace billing. This should increase revenue.

#### STATISCAL REPORT

Attached to these Minutes is the FY 2020 YTD Statistical Report Year Ended June 30, 2021.

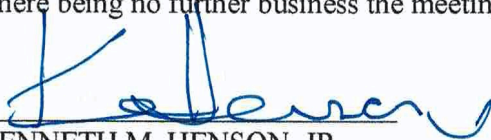
#### FINANCIAL REPORT

Attached to these Minutes is the Hospital Authority of Columbus Consolidated Summary Report Month Ended September 20, 2020.

#### NEXT MEETING

The next meeting will be Tuesday, January 26, 2021.

There being no further business the meeting was adjourned.



KENNETH M. HENSON, JR.  
Secretary



ERNEST SMALLMAN, IV.  
Chairman



HOSPITAL AUTHORITY OF COLUMBIUS  
CONSOLIDATED SUMMARY REPORT  
MONTH ENDED SEPTEMBER 30, 2020

	Orchard View	Home Office	Azalea Trace	Muscogee Manor	Total Nursing Home	Cobles PCH	Muscogee Home Health	River Mill	Consolidated
<b>BALANCE SHEET</b>									
Cash	\$ 9,216,625	\$ -	\$ 7,663,585	\$ 7,952,072	\$ 24,832,282	\$ 18,840	\$ 30,305	\$ 464,982	\$ 25,346,409
Other Current Assets	1,560,028	-	1,025,177	1,208,726	3,793,931	-	202,787	-	3,996,718
Intercompany Balances	22,226,185	-	2,249,644	(13,091,778)	11,384,051	(6,317,138)	(1,694,675)	(3,372,238)	-
Noncurrent Assets	35,893,459	-	41,418,159	7,687,258	84,998,876	167,338	123,890	3,659,498	88,949,602
<b>Total Assets</b>	<b>\$ 68,896,297</b>	<b>\$ -</b>	<b>\$ 52,356,565</b>	<b>\$ 3,756,278</b>	<b>\$ 125,009,140</b>	<b>\$ (6,130,960)</b>	<b>\$ (1,337,693)</b>	<b>\$ 752,242</b>	<b>\$ 118,292,729</b>
Current Liabilities	\$ 2,582,232	\$ -	\$ 3,351,262	\$ 1,407,402	\$ 7,340,896	\$ 1,276	\$ 163,904	\$ -	\$ 7,506,076
Non-current Liabilities (excluding bonds)	8,744,049	-	3,679,830	5,377,152	17,801,031	360,100	546,428	-	18,707,559
Bonds Payable	26,902,568	-	31,224,758	-	58,127,326	-	-	-	58,127,326
<b>Total Liabilities</b>	<b>38,228,849</b>	<b>-</b>	<b>38,255,850</b>	<b>6,784,554</b>	<b>83,269,253</b>	<b>361,376</b>	<b>710,332</b>	<b>-</b>	<b>84,340,961</b>
<b>Fund Balance</b>	<b>30,667,448</b>	<b>-</b>	<b>14,100,715</b>	<b>(3,028,276)</b>	<b>41,739,887</b>	<b>(6,492,336)</b>	<b>(2,048,025)</b>	<b>752,242</b>	<b>33,951,768</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 68,896,297</b>	<b>\$ -</b>	<b>\$ 52,356,565</b>	<b>\$ 3,756,278</b>	<b>\$ 125,009,140</b>	<b>\$ (6,130,960)</b>	<b>\$ (1,337,693)</b>	<b>\$ 752,242</b>	<b>\$ 118,292,729</b>
<b>INCOME STATEMENT</b>									
Revenue	\$ 1,242,636	\$ 41,195	\$ 622,692	\$ 852,632	\$ 2,759,155	\$ -	\$ 70,075	\$ 23,845	\$ 2,853,075
Operating Expenses	1,077,385	112,547	516,329	906,847	2,613,108	6,797	87,800	1,087	2,708,792
<b>Net Profit (Loss) before Noncash expense</b>	<b>165,251</b>	<b>(71,352)</b>	<b>106,363</b>	<b>(54,215)</b>	<b>146,047</b>	<b>(6,797)</b>	<b>(17,725)</b>	<b>22,758</b>	<b>144,283</b>
Provision for Bad debts	(9,267)	-	15,165	(12,546)	(6,648)	-	-	-	(6,648)
Interest expense	(68,239)	-	-	-	(68,239)	-	-	-	(68,239)
Depreciation and Amortization	(86,800)	-	(229)	(14,775)	(101,804)	(377)	-	(7,620)	(109,801)
<b>Current Month Income (loss)</b>	<b>\$ 945</b>	<b>\$ (71,352)</b>	<b>\$ 121,299</b>	<b>\$ (81,536)</b>	<b>\$ (30,644)</b>	<b>\$ (7,174)</b>	<b>\$ (17,725)</b>	<b>\$ 15,138</b>	<b>\$ (40,405)</b>
<b>YTD Income (loss)</b>	<b>\$ 40,428</b>	<b>\$ (306,230)</b>	<b>\$ 375,098</b>	<b>\$ (131,819)</b>	<b>\$ (22,523)</b>	<b>\$ (26,309)</b>	<b>\$ (62,263)</b>	<b>\$ 43,828</b>	<b>\$ (67,267)</b>

HOSPITAL AUTHORITY OF COLUMBUS  
 FY 2020 YTD Statistical Report  
 Year Ended June 30, 2021

	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	August	July	Average	Prior Year
<b>Orchard View</b>														
% Occupancy										68.30%	67.65%	68.35%	68.10%	82.91%
Medicaid%										76.75%	77.49%	81.97%	78.75%	72.34%
Medicare%										12.38%	9.44%	9.34%	10.39%	12.64%
Private %										8.22%	9.13%	5.57%	7.64%	9.24%
Hospice %										2.24%	2.22%	2.60%	2.35%	3.80%
ADV %										0.37%	1.72%	0.52%	0.87%	1.98%
Daily Medicare and ADV Census										17.40	15.09	13.48	15.32	24.41
Employment (Full Time Equivalents)										209.85	213.65	232.81	218.77	238.30
<b>Azalea Trace</b>														
% Occupancy										56.15%	60.94%	62.35%	59.81%	77.71%
Medicaid%										92.28%	93.17%	94.83%	93.43%	92.05%
Medicare%										4.21%	5.05%	3.71%	4.32%	5.54%
Private %										1.94%	1.49%	1.46%	1.63%	0.18%
Hospice %										1.57%	0.29%	0.00%	0.62%	2.11%
ADV %										0.00%	0.00%	0.00%	0.00%	0.11%
Daily Medicare and ADV Census										2.60	3.39	2.55	2.85	4.81
Employment (Full Time Equivalents)										64.49	63.02	73.84	67.12	80.89
<b>Muscogee Manor</b>														
% Occupancy										53.20%	53.53%	55.29%	54.01%	64.58%
Medicaid%										91.30%	86.07%	75.19%	84.19%	83.01%
Medicare%										6.34%	10.49%	19.90%	12.24%	7.96%
Private %										0.00%	0.00%	0.93%	0.31%	1.65%
Hospice %										1.22%	2.41%	3.23%	2.29%	5.50%
ADV %										1.14%	1.03%	0.75%	0.97%	1.88%
Daily Medicare and ADV Census										6.76	10.49	19.42	12.22	10.55
Employment (Full Time Equivalents)										138.14	136.26	143.95	139.45	153.86
<b>Muscogee Home Health</b>														
Employment (Full Time Equivalents)										9.95	10.07	10.05	10.02	10.63