

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY

MINUTES OF THE NOVEMBER 21, 2024 MEETING

(Open Session)

Attendees:

Authority Board Members: Sheri Barlow, Tommy Gregors, Dorothy Hubbard, Jackie Jenkins, Clinton Johnson, and Glenn Singfield, Sr.

Authority Legal Counsel: Tommy Coleman

Those Present on Behalf of Phoebe Putney Memorial Hospital, Inc.: Deb Angerami (PPMH President), Dawn Benson (PPHS General Counsel), Jessica Castle (PPHS CMEO), Brian Church (PPHS CFO/CAO), Dr. Dianna Grant (PPHS CMO), Felicia Lewis (Board Coordinator), Ben Roberts (PPHS Public Relations Manager), Darrell Sabbs (PPHS Community Benefits), Jason Smith, MD (PPMH CMO), Scott Steiner (PPHS President & CEO), Dr. Jen Williams (PPHS Chief DEI Officer)

Other Attendees: Stephen Harrell of DraffinTucker

Absent Authority Members: Dr. John "Buck" Davis, Dr. Jim Hotz

Open Meeting and Establish a Quorum:

Chair Singfield called the meeting to order at 7:36am in the Willson Board Room at Phoebe Putney Memorial Hospital. Chair Singfield thanked all Members for their attendance and participation and he observed that a quorum was present.

Approval of the Agenda:

The proposed Agenda had been previously provided to the Authority Members and a motion to adopt the proposed Agenda for the meeting was made by Mr. Johnson and seconded by Ms. Hubbard. A copy of the Agenda as adopted is attached.

Approval of the Minutes:

The proposed Minutes of the August 15, 2024 open session meeting of the Authority had likewise been provided to Members prior to this meeting and the same were considered for approval. Mr. Johnson made a motion and Ms. Hubbard seconded the motion, to approve the Minutes as previously provided. The motion passed unanimously by vote of all Members.

Audit Agreement with Draffin Tucker:

Mr. Coleman reminded the Members that the Audit RFP conducted in May 2018 awarded Draffin Tucker a three-year contract, with the option to renew by mutual agreement for up to four (4) additional one (1) year terms. The Authority renewed the agreement in 2021, 2022, and 2023. Mr. Coleman stated the Members need to vote to extend the current contract or to conduct another Audit RFP. Mr. Gregors

made a motion and Mr. Johnson seconded the motion to extend Draffin Tucker's contract for a fourth one (1) year of the allowed four (4) contract extensions. The motion passed unanimously by vote of all Members.

Certified HAADC Audit for FYE 2024:

Stephen Harrell, Draffin Tucker, CPAs, presented the Audited Financial Statements for the Authority for the year ending July 31, 2024 and the report also showed the 2023 financial statements for comparison purposes. Discussions, questions, and comments ensued. A copy of the Audit is attached hereto. Mr. Johnson made a motion and Ms. Hubbard seconded to motion to adopt and approve the Certified FYE HAADC 2024 Audit as prepared and presented by Draffin Tucker. The motion passed unanimously by vote of all Members. A bound copy of the Authority Audit was offered to all Authority Members and a copy is retained with these Minutes.

HAADC Financial Update:

Mr. Church presented and reviewed an interim financial report for the Authority's current fiscal year through October 31, 2024. A copy of the Authority's Financial Statements as presented by Mr. Church is attached.

PPMH, Inc. President Report:

Ms. Angerami provided a CEO report which included the following: Phoebe staff recognized for their patient care at Phoebe; operational report on Phoebe's emergency center; weapons detection update; and Trauma and Critical Care Tower construction update.

Ms. Angerami also provided handouts pertaining to Phoebe's patient satisfaction scores and net promoter scores. Mr. Johnson requested Ms. Angerami provide a deep dive of the Leapfrog scoring system at the February meeting.

Discussions, questions, and comments ensued.

A copy of the PPMH President's report as presented is attached to these Minutes.

Diversity Update:

Dr. Williams reported Phoebe's Diversity Council is implementing the Health Equity Roadmap, which is a framework to help Phoebe chart a path toward transformation to become a more equitable and inclusive organization. Dr. Williams reported on the five (5) stages of the Roadmap and noted that Phoebe is currently in the "Exploring" stage. She reported on the next steps which include the development of a Community Partner Board focused on healthy equity and monthly/quarterly Lunch & Learns about racism, sexism, and ableism. Dr. Williams reported the Diversity Council launched the "Inclusion Begins with I" project in January to educate and provide tangible ways each Phoebe employee can contribute to an inclusive workplace culture where everyone feels as if they belong. Dr. Williams also reported on Phoebe's partnership with United and Nurse-Family Partnership and the benefits provided to the community.

Discussions, questions, and comments ensued.

A copy of the Diversity Update report as presented is attached to these Minutes.

Additional Business:

Mr. Steiner provided an update on the Lee County Medical Center. He reported the Lee County Board of Commissioners, the Lee County Development Authority, and the Lee County Hospital Authority agreed to move forward with a medical center and will conduct a feasibility study to survey if they can support the hospital and then issue a bond.

Discussions, questions, and comments ensued.

A copy of Mr. Steiner's report as presented is attached to these Minutes.

Adjournment:

There being no further business the meeting was adjourned.

Minutes Approved by the HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY on February 20, 2025

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

OPEN SESSION MEETING AGENDA

Thursday, November 21, 2024

7:30am

Willson Board Room / Phoebe Putney Memorial Hospital

- | | | |
|-------|----------------------------------------------------------------------------------------------------|---------------------------------|
| I. | Open Meeting and Establish Quorum | Glenn Singfield, Sr., Chair |
| II. | Consider Approval of Agenda
(draft previously provided to Members) | Glenn Singfield, Sr., Chair |
| III. | Speaker Appearances (if applicable) | Glenn Singfield, Sr., Chair |
| IV. | Consideration of Open Session Minutes of August 15, 2024
(draft previously provided to Members) | Glenn Singfield, Sr., Chair |
| V. | Audit Agreement FY2024 with Draffin Tucker <i>(Requires HAADC Approval)</i> | Tommy Coleman |
| VI. | Certified HAADC Audit FYE2023 <i>(Requires HAADC Approval)</i> | Stephen Harrell, Draffin Tucker |
| VII. | Financial Reports
A. HAADC Financial Update | Brian Church |
| VIII. | Phoebe Putney Memorial Hospital, Inc. President Report | Deb Angerami |
| IX. | Phoebe Putney Memorial Hospital, Inc. Workplace Diversity Update | Dr. Jen Williams |
| X. | Additional Business | Glenn Singfield, Sr., Chair |
| XI. | ADJOURNMENT | |

Proposed 2025 HAADC Meeting Dates

February 20, 2025

May 15, 2025

August 21, 2025

November 20, 2025



The Board of Directors
Hospital Authority of Albany-Dougherty
County, Georgia
Albany, Georgia

We have audited the financial statements of Hospital Authority of Albany-Dougherty County, Georgia (Authority) for the year ended July 31, 2024, and have issued our report thereon dated November 21, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards*), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 24, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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Draffin & Tucker, LLP | CPAs and Advisors | www.draffin-tucker.com
P.O. Box 71309 | 2617 Gillionville Road | Albany, GA 31708-1309 | (229) 883-7878
5 Concourse Parkway, Suite 1250 | Atlanta, GA 30328 | (404) 220-8494
210 Wingo Way, Suite 202 | Mt. Pleasant, SC 29464 | (843) 722-0785

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were detected as a result of audit procedures.

Disagreements With Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 21, 2024.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Hospital Authority of Albany-Dougherty County, Georgia and is not intended to be and should not be used by anyone other than these specified parties.



Albany, Georgia
November 21, 2024

HOSPITAL AUTHORITY OF
ALBANY-DOUGHERTY COUNTY, GEORGIA

FINANCIAL STATEMENTS
for the years ended July 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hospital Authority of Albany-Dougherty
County, Georgia
Albany, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hospital Authority of Albany-Dougherty County, Georgia (Authority), which comprise the balance sheets as of July 31, 2024 and 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as of July 31, 2024 and 2023, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

Continued

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user based on these financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Continued

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 6 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads "Draffin & Tucker, LLP". The signature is written in a cursive, flowing style.

Albany, Georgia
November 21, 2024



Management's Discussion and Analysis For the year ended July 31, 2024

Our discussion and analysis of the Hospital Authority of Albany-Dougherty County, Georgia's (Authority) financial performance provides an overview of the Authority's financial activities during the fiscal years ended July 31, 2024, 2023 and 2022. Please read it in conjunction with the Authority's financial statements and accompanying notes.

Organizational Highlights

The leasing to Phoebe Putney Memorial Hospital, Inc:

On September 1, 1991, the Authority transferred all assets and day-to-day management of Phoebe Putney Memorial Hospital to Phoebe Putney Memorial Hospital, Inc. (Corporation). The transfer was made pursuant to a lease and transfer agreement (Agreement) dated as of December 11, 1990 between the Authority and the Corporation. During 2009, the lease term was renewed to the original term of forty years. On December 15, 2011, the Authority purchased substantially all assets of Palmyra Park Hospital, LLC (Palmyra), a general acute care hospital located in Albany, Georgia. The Authority operated Palmyra under the name Phoebe North. Effective August 1, 2012, the lease and transfer agreement between the Corporation and the Authority was amended and restated to include the transfer and inclusion of the hospital formerly known as Palmyra, and to renew the lease term for forty years. As consideration for the lease, the Corporation agreed to provide funds sufficient to cover all costs and expenses of the Authority, and to maintain an amount of not less than \$100,000 under the Authority's control to pay all costs and expenses.

During the fiscal year ended July 31, 2021, the Authority engaged a consultant group to perform a lease analysis to examine the Corporation's compliance with the requirements of the Agreement. In February of 2022, the Authority voted to accept the results of the lease analysis, which found the Corporation in compliance with the requirements of the Agreement.

Using This Annual Report

The Authority's financial statements consist of three statements - a balance sheet, a statement of revenues, expenses and changes in net position, and a statement of cash flows. These financial statements and related notes provide information about the activities of the Authority, including resources held by the Authority but restricted for specific purposes by contributors, grantors or enabling legislation.

Continued

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Management's Discussion and Analysis
For the year ended July 31, 2024

The Balance Sheet and Statement of Revenues, Expenses and Changes in Net Position

One of the most important questions asked about the Authority's finances is, "Is the Authority as a whole better or worse off as a result of the year's activities?" The balance sheet and the statement of revenues, expenses, and changes in net position report information about the Authority's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Cash Flows

The final required statement is the statement of cash flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It provides answers to such questions as "Where did cash come from?" "What was cash used for?" and "What was the change in cash balance during the reporting period?"

The Authority serves an important role as a pass-through entity associated with participation by the Corporation and its affiliated medical entities in certain governmental health care programs. As such, the Authority makes transfers on behalf of these entities for Indigent Care Trust Fund obligations, Upper Payment Limit transfers, and Medicaid Managed Care Directed Payment Program transfers. The funds for these supplemental payment program transfers come from the Corporation.

Balance Sheet Data

The Authority's net position is the difference between its assets and liabilities reported on the balance sheet. The following table summarizes the balance sheets as of July 31, 2024, 2023 and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Assets:			
Current assets	\$ <u>109,000</u>	\$ <u>109,000</u>	\$ <u>113,000</u>
Total assets	\$ <u>109,000</u>	\$ <u>109,000</u>	\$ <u>113,000</u>
Liabilities and net position:			
Current liabilities	\$ <u>6,000</u>	\$ <u>6,000</u>	\$ <u>13,000</u>
Net position	<u>103,000</u>	<u>103,000</u>	<u>100,000</u>
Total liabilities and net position	\$ <u>109,000</u>	\$ <u>109,000</u>	\$ <u>113,000</u>

The balance sheet reflects the net position of the Authority which is total assets less current liabilities presented above. The net position balance as of July 31, 2024 of \$103,000 consists of cash which resides in the Authority's bank account.

Continued

Management's Discussion and Analysis
For the year ended July 31, 2024

Statement of Revenue and Expense Data

The following table summarizes the revenues and expenses for the years ended July 31, 2024, 2023 and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenues	\$ 20,000	\$ 70,000	\$ 30,000
Operating expenses	<u>20,000</u>	<u>67,000</u>	<u>32,000</u>
Operating income (loss)	-	3,000	(2,000)
Net position, beginning of year	<u>103,000</u>	<u>100,000</u>	<u>102,000</u>
Net position, end of year	<u>\$ 103,000</u>	<u>\$ 103,000</u>	<u>\$ 100,000</u>

As consideration for the lease, the Corporation agreed to provide funds sufficient to cover all costs and expenses of the Authority, and to maintain an amount of not less than \$100,000 under the Authority's control to pay all costs and expenses. Operating expenses for the Authority consist of professional/legal fees and bank service charges for the years ended July 31, 2024, 2023, and 2022.

Capital Assets and Debt

The Authority did not hold any investments in capital assets at the end of 2024, 2023 and 2022.

Under the terms of the Agreement, any debt issued by the Authority will be the responsibility of the Corporation. As of July 31, 2024, approximately \$329,310,000 of Revenue Anticipation Certificates are outstanding in the Authority's name. These certificates are recorded and disclosed in the financial statements of the Corporation for the year ended July 31, 2024.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances. If you have questions about this report or need additional financial information, contact the Authority finance department at the following:

Hospital Authority of Albany-Dougherty County, Georgia
417 W 3rd Ave
Albany, GA 31701

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

BALANCE SHEETS, July 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets:		
Cash	\$ 109,000	\$ 109,000
Total assets	<u>\$ 109,000</u>	<u>\$ 109,000</u>
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable and accrued expenses	\$ 6,000	\$ 6,000
Net position:		
Unrestricted	<u>103,000</u>	<u>103,000</u>
Total liabilities and net position	<u>\$ 109,000</u>	<u>\$ 109,000</u>

See accompanying notes to financial statements.

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
for the years ended July 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating revenues:		
Lease consideration	\$ 20,000	\$ 70,000
Operating expenses:		
Purchased services and other	<u>20,000</u>	<u>67,000</u>
Operating income	-	3,000
Net position, beginning of year	<u>103,000</u>	<u>100,000</u>
Net position, end of year	<u>\$ 103,000</u>	<u>\$ 103,000</u>

See accompanying notes to financial statements.

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

STATEMENTS OF CASH FLOWS
for the years ended July 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Funds paid to Georgia Department of Community Health:		
Upper Payment Limit	\$ (2,639,000)	\$ (3,590,000)
Medicaid Managed Care Hospital Directed Payment	(2,331,000)	(4,008,000)
Medicaid Managed Care Provider Directed Payment	(2,831,000)	(3,889,000)
Medicaid Managed Care GA STRONG Payment	(10,377,000)	(16,371,000)
Transfers from Phoebe Putney Memorial Hospital, Inc.:		
Upper Payment Limit	2,639,000	3,590,000
Medicaid Managed Care Hospital Directed Payment	2,331,000	4,008,000
Medicaid Managed Care Provider Directed Payment	2,831,000	3,889,000
Medicaid Managed Care GA STRONG Payment	10,377,000	16,371,000
Lease consideration	20,000	70,000
Payments to suppliers	<u>(20,000)</u>	<u>(74,000)</u>
Net cash provided (used) by operating activities	-	(4,000)
Cash, beginning of year	<u>109,000</u>	<u>113,000</u>
Cash, end of year	<u>\$ 109,000</u>	<u>\$ 109,000</u>
Reconciliation of cash to the balance sheet:		
Cash in current assets	<u>\$ 109,000</u>	<u>\$ 109,000</u>
Reconciliation of operating income to net cash flows provided (used) by operating activities:		
Operating income	\$ -	\$ 3,000
Changes in:		
Accounts payable and accrued expenses	<u>-</u>	<u>(7,000)</u>
Net cash provided (used) by operating activities	<u>\$ -</u>	<u>\$ (4,000)</u>

Supplemental Disclosure:

The Authority serves as the pass-through entity associated with participation by the Corporation and its affiliated medical entities in certain supplemental payment programs through the Georgia Department of Community Health. As a result of this participation, these entities recognized revenues of approximately \$6,634,000 and \$10,331,000 related to the Upper Payment Limit Program and approximately \$59,108,000 and \$57,618,000 related to the Medicaid Managed Care Payment Programs for the years ended July 31, 2024 and 2023, respectively.

See accompanying notes to financial statements.

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS July 31, 2024 and 2023

1. Summary of Significant Accounting Policies

Reporting Entity

The Hospital Authority of Albany-Dougherty County, Georgia (Authority) is a public corporation organized to operate, control, and manage matters concerning the County's health care functions.

On September 1, 1991, the Authority implemented a reorganization plan whereby all of the assets and day-to-day management of Phoebe Putney Memorial Hospital were transferred to Phoebe Putney Memorial Hospital, Inc. (Corporation), a not-for-profit corporation, qualified as an organization described in Section 501(c)(3) of the Internal Revenue Code. The transfer was made pursuant to a lease and transfer agreement (Agreement) dated as of December 11, 1990 between the Authority and the Corporation. During 2009, the lease term was renewed to the original term of forty years.

Under the terms of the Agreement, any debt issued by the Authority will be the responsibility of the Corporation. As of July 31, 2024, approximately \$329,310,000 of Revenue Anticipation Certificates are outstanding in the Authority's name. These certificates are recorded and disclosed in the financial statements of the Corporation for the year ended July 31, 2024.

On December 15, 2011, the Authority purchased substantially all assets of Palmyra Park Hospital, LLC (Palmyra), a general acute care hospital located in Albany, Georgia. The Authority operated Palmyra under the name Phoebe North.

Effective August 1, 2012, the lease and transfer agreement between the Corporation and the Authority was amended and restated. The amendment was made for the transfer and inclusion of the hospital formerly known as Palmyra. The amendment included the extension of the lease for a term of forty years from the date of the current amendment. As consideration for the lease, the Corporation agreed to provide funds sufficient to cover all costs and expenses of the Authority, and to maintain an amount of not less than \$100,000 under the Authority's control to pay all costs and expenses.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Continued

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS, Continued
July 31, 2024 and 2023

1. Summary of Significant Accounting Policies, Continued

Enterprise Fund Accounting

The Authority uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. The Authority prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB).

Net Position

Net position of the Authority is classified as *unrestricted net position*. *Unrestricted net position* is the remaining net amount of assets and liabilities that are not invested in capital assets and do not contain restrictions on their use.

Operating Revenues and Nonoperating Revenues

The Authority's statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues. Operating revenues result from consideration received for the operation of the Authority in conjunction with the amended and restated lease and transfer agreement. Nonexchange revenues, including contributions received for purposes other than capital asset acquisition are reported as nonoperating revenues.

Grants and Contributions

Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue.

Income Taxes

The Authority is a governmental entity and is exempt from income taxes. Accordingly, no provision for income taxes has been considered in the accompanying financial statements.

Restricted Resources

When the Authority has both restricted and unrestricted resources available to finance a particular program, it is the Authority's policy to use restricted resources before unrestricted resources.

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HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS, Continued
July 31, 2024 and 2023

2. Deposits

State law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts. The Authority's bylaws require that all bank balances be insured or collateralized by U.S. government securities held by the pledging financial institution's trust department in the name of the Authority. The Authority had no uncollateralized cash balances at July 31, 2024 and 2023.

The carrying amount of deposits included in the Authority's balance sheets is as follows:

	<u>2024</u>	<u>2023</u>
Cash	\$ <u>109,000</u>	\$ <u>109,000</u>

3. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses, reported as current liabilities by the Authority at July 31, 2024 and 2023, consisted of these amounts:

	<u>2024</u>	<u>2023</u>
Accounts payable and accrued expenses:		
Payable to suppliers	\$ <u>6,000</u>	\$ <u>6,000</u>

4. Litigation

The Authority is subject to litigation and regulatory investigations arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Authority's future financial position or results from operations.

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

Financial Statement Update
October-2024 YTD Financials
Fiscal Year 2025
November 19th Authority Meeting

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HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA BALANCE SHEET 10/31/24

	Unaudited October 31, 2024
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 106,441
Assets limited as to use - current	-
Patient accounts receivable, net of allowance for doubtful accounts	-
Supplies, at lower of cost (first in, first out) or market	-
Other current assets	-
Total current assets	106,441
Property and Equipment, net	-
Other Assets:	
Goodwill	-
Total other assets	-
Total Assets	\$ 106,441

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HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA
BALANCE SHEET
10/31/24

Unaudited
October 31, 2024

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	-
Accrued expenses	6,174
Estimated third-party payor settlements	-
Deferred revenue	-
Short-term obligations	-
Total current liabilities	<u>6,174</u>
 Total liabilities	 <u>6,174</u>
Net assets:	
Unrestricted	100,267
 Total net assets	 <u>100,267</u>
 Total liabilities and net assets	 <u>\$ 106,441</u>

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HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN UNRESTRICTED NET ASSETS
10/31/2024

Unaudited
October 31, 2024

OPERATING REVENUE:	
Net patient service revenue (net of provision for bad debt)	-
Lease Consideration	-
Total Operating Revenue	<u>-</u>
OPERATING EXPENSES:	
Salaries and Wages	-
Employee health and welfare	-
Medical supplies and other	-
Professional services	2,552
Purchased services	184
Depreciation and amortization	-
Total Operating Expenses	<u>2,736</u>
Operating Income (Loss)	<u>(2,736)</u>
NONOPERATING INCOME (EXPENSES):	
Gain in Long Term Lease	-
Interest Expense	-
Total Nonoperating Income	<u>-</u>
EXCESS OF REVENUE OVER EXPENSE (LOSS)	<u>(2,736)</u>

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Phoebe

HOSPITAL AUTHORITY MEETING
NOVEMBER 21, 2024

Deborah Angerami, CEO
Phoebe Putney Memorial Hospital

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SAFETY STORY

Grace Musselwhite, RN received a patient from triage on 10/29/24. He had been seen in triage and an EKG was performed that was normal. When he arrived in room 5, Grace noticed immediately that he was diaphoretic and slightly SOB (short of breath). She immediately put him on the cardiac monitor and noticed a rhythm change, she then repeated an EKG which showed an acute STEMI. This patient went to the Cath lab in 13 minutes of arrival to the EC.

Great job to Grace for providing safe, prompt care. Grace received a "heart" pin for her outstanding service to this patient. She is a true asset to the EC.



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SAFE HAVEN BABY

- Phoebe, a "Safe Haven" location, recently received a newborn who was surrendered by its mother.
- Under the Safe Place for Newborns Act, Georgia law gives criminal immunity to a mother who leaves her baby with a staff member or volunteer of a medical facility, fire station, or police station if the child is no more than thirty days old. The mother is not required to show proof of her identity or address.
- The baby was dropped off at the emergency room less than three hours after it was delivered at home. Following our policy, the EC consulted with Pediatrics and NICU to take care of this newborn. The mother declined assessment, treatment or any postpartum care.
- Due to size and temperature instability, the baby was admitted to our NICU and is doing well. Our Women & Children team has been working with social services and the Department of Family and Children's services to find after-discharge plans and care for this baby.



NICU TEAM



EC TEAM

In 2021, 31 babies were placed in dumpsters, found in backpacks, or discarded. 22 of these were deceased.

Mission

The National Safe Haven Alliance equips Safe Haven Providers and parents with safe alternatives that prevent infant abandonment while providing holistic care for both parents and babies.

2024 Surrenders

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Halloween Costume Contest & Candy Parade



Thank you to everyone who joined us for our Sweet Halloween Costume Contest & Candy Parade! We had an amazing turnout, and it was so much fun to see everyone's creativity and Halloween spirit!



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Deb Angerami
President
Phoebe Putney Memorial Hospital



Bonuses Are Coming!

I am pleased to announce we have **successfully achieved 99.49% of our FY2024 goals**, each of which directly aligns with our Strategic Pillars – Quality & Safety; Access to Care; People; Diversity, Equity & Inclusion; Service; Community Health; and Financial Excellence.

This achievement is a direct result of the *Exceptional Care* and *Superior Service* each and every member of the Phoebe Family provides to every patient, every day. And, it's an effort that is not going unrewarded. As a result, **all eligible employees will receive a Performance Bonus at 99.49% of the maximum amount of \$600.**

While we came close to meeting all of our FY2024 goals, we still have one area that fell just shy of our target of 60.0 – our *HCAHPS Overall Rating of Hospital* ended the year with a score of 59.5. We have made great strides in our patient experience scores over the past year and will continue to intently focus on service in FY2025. I encourage each of you to speak with your department leader to learn more about our overall FY2024 performance and think of additional ways we can continue to improve in 2025.

These performance bonuses will be direct deposited into your bank account on November 14th – just in time for the holidays. The chart below will show you the exact amount of bonus to expect based on hours worked in FY2024, but remember, bonuses are subject to taxes, so the net amount may differ from the figures below. If you have questions regarding your bonus, please email compensation@phoebhealth.com.

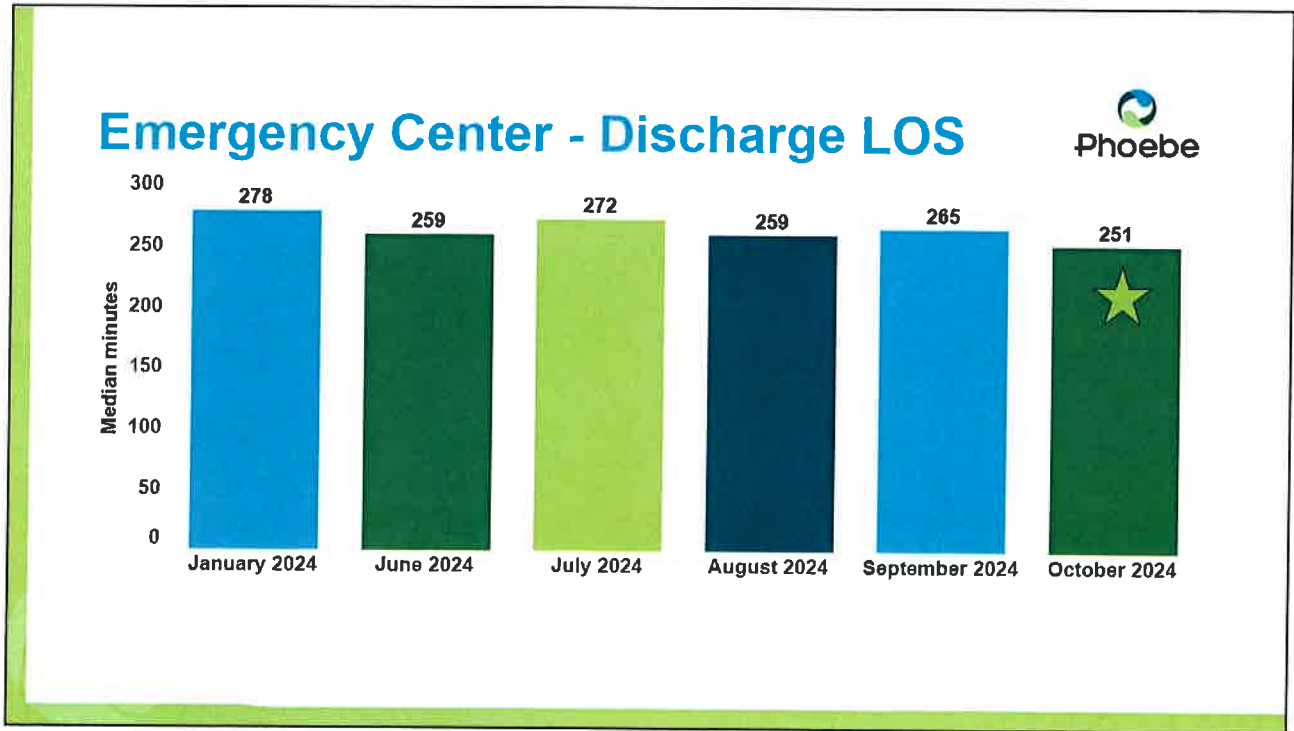
Congratulations on this hard-earned bonus! And, as always, thank you for your continued commitment to putting Safety First, offering Superior Service and providing Exceptional Care to everyone, every day.

Phoebe Putney Memorial Hospital			
Hours Worked	Percentage Earned	Bonus Potential	Bonus Before Taxes
1500+	99.49%	\$ 600.00	\$ 596.94
500-1499		\$ 400.00	\$ 397.96
250-499		\$ 200.00	\$ 198.98
249 or less		Not Eligible	

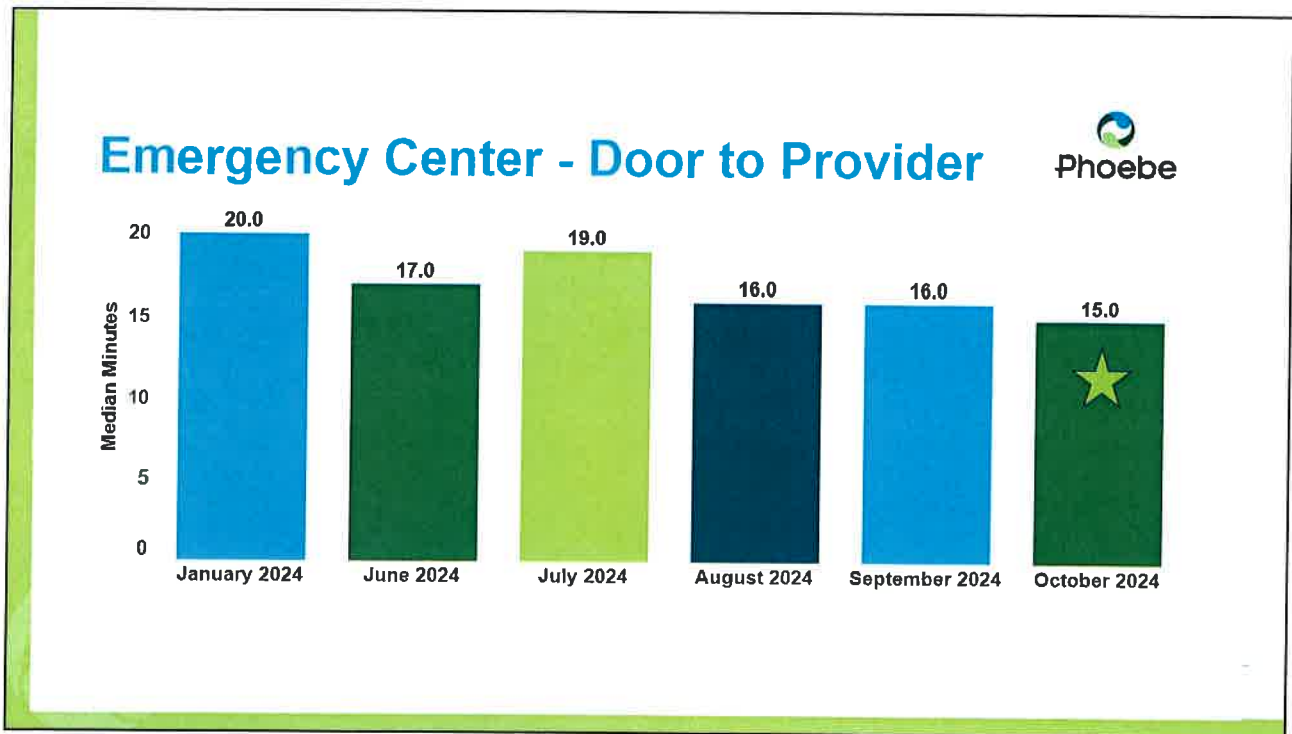
18

OPERATIONAL
UPDATES

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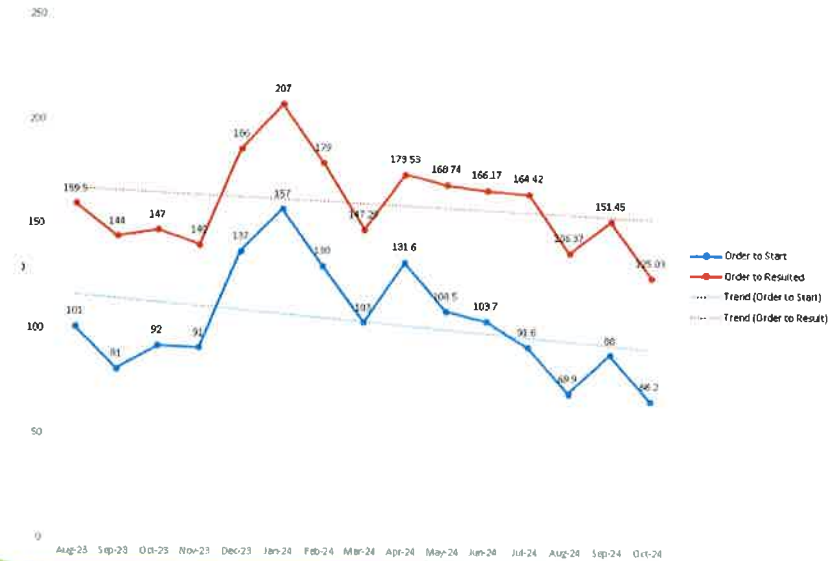
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EC CT TAT



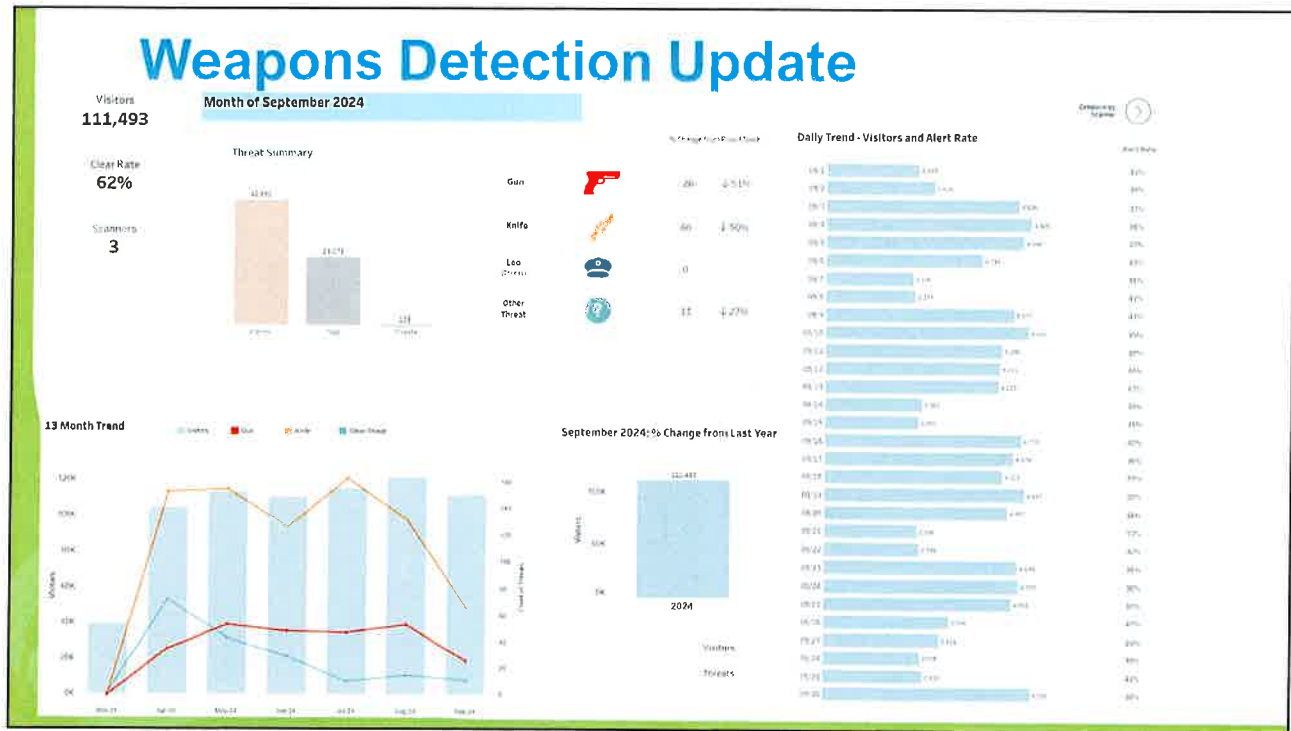
22



Patient Experience Action Plan

Task Name	Action Items	Status
<input type="checkbox"/> Communicate with patients regarding imaging services including any delays and turnaround times	<input type="checkbox"/> Reinforced customer service expectations in daily huddles, complete chart audits, and leadership rounding daily (Director, Manager, and Assistant Nurse Managers) <input type="checkbox"/> CT department notifies the EC if the queue becomes greater than 4. The expectation for the EC staff is to communicate with the patient regarding the delay	In progress
<input type="checkbox"/> Staffing	<input type="checkbox"/> Collaborate with recruitment team to fill the remaining nursing vacancies <input type="checkbox"/> Backfilled with agency RN until onboarding and orientation are complete <input type="checkbox"/> Reinstate volunteers in the EC	In progress
<input type="checkbox"/> Leadership rounding	<input type="checkbox"/> Daily leadership rounds are completed by the Director, Nurse Manager, and Assistant Nurse Managers, House Supervisors	In progress
<input type="checkbox"/> Accountability	<input type="checkbox"/> Chart audits and 1:1 meeting completed with the staff involved in any complaints and progressive disciplinary action is followed as necessary	

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24

Zero Eyes – AI Gun Detection

AI SYSTEM INSTANTLY DETECTS GUNS, DIRECTS SECURITY WHERE TO GO

An artificial intelligence system created by a team of former Navy SEALs can detect guns that appear on security cameras and tell responding officers where to go when they arrive on scene. Decreased response time decreases casualties.

AI SYSTEM INSTANTLY DETECTS GUNS, DIRECTS SECURITY WHERE TO GO

AI SYSTEM INSTANTLY DETECTS GUNS, DIRECTS SECURITY WHERE TO GO

Save time. Save lives.

ZeroEyes delivers a proactive, human-verified visual gun detection and situational awareness solution that integrates into existing digital security cameras to stop mass shootings and gun-related violence

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TRAUMA & CRITICAL CARE TOWER

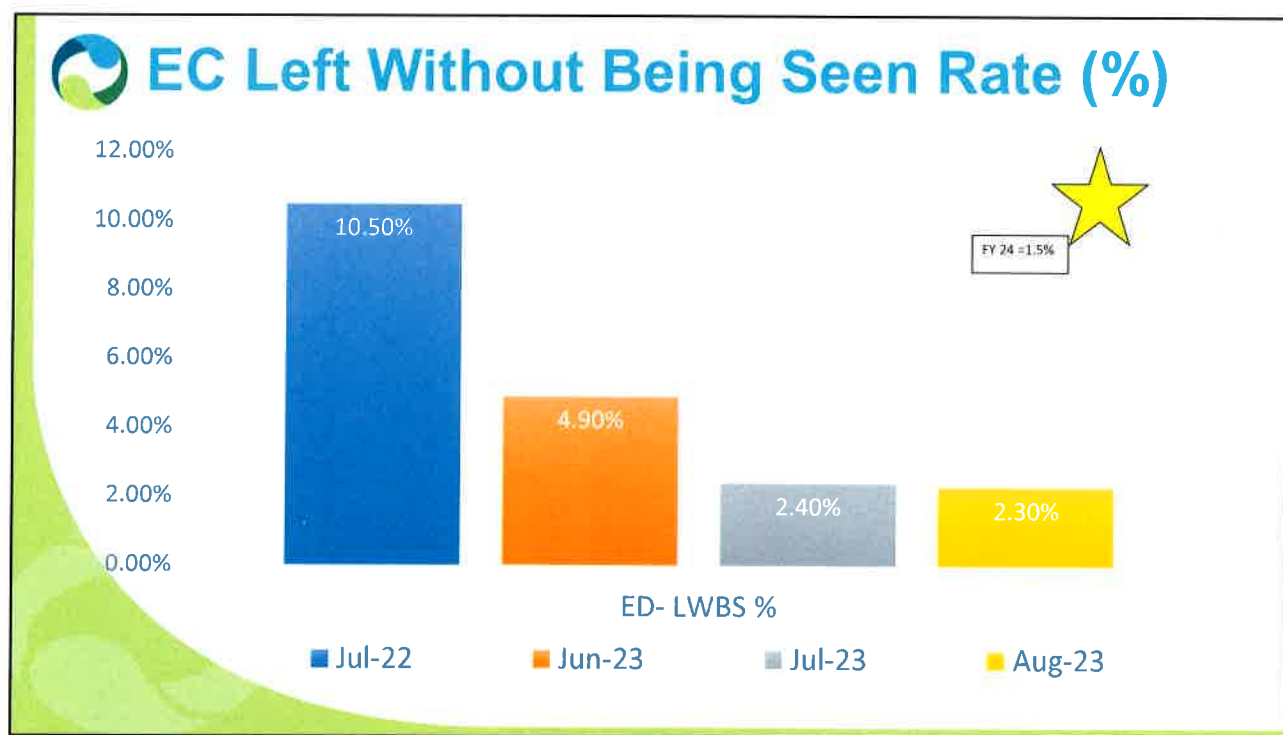
Go live date is officially **January 15th**, utilizing a staged approach for impacted departments.

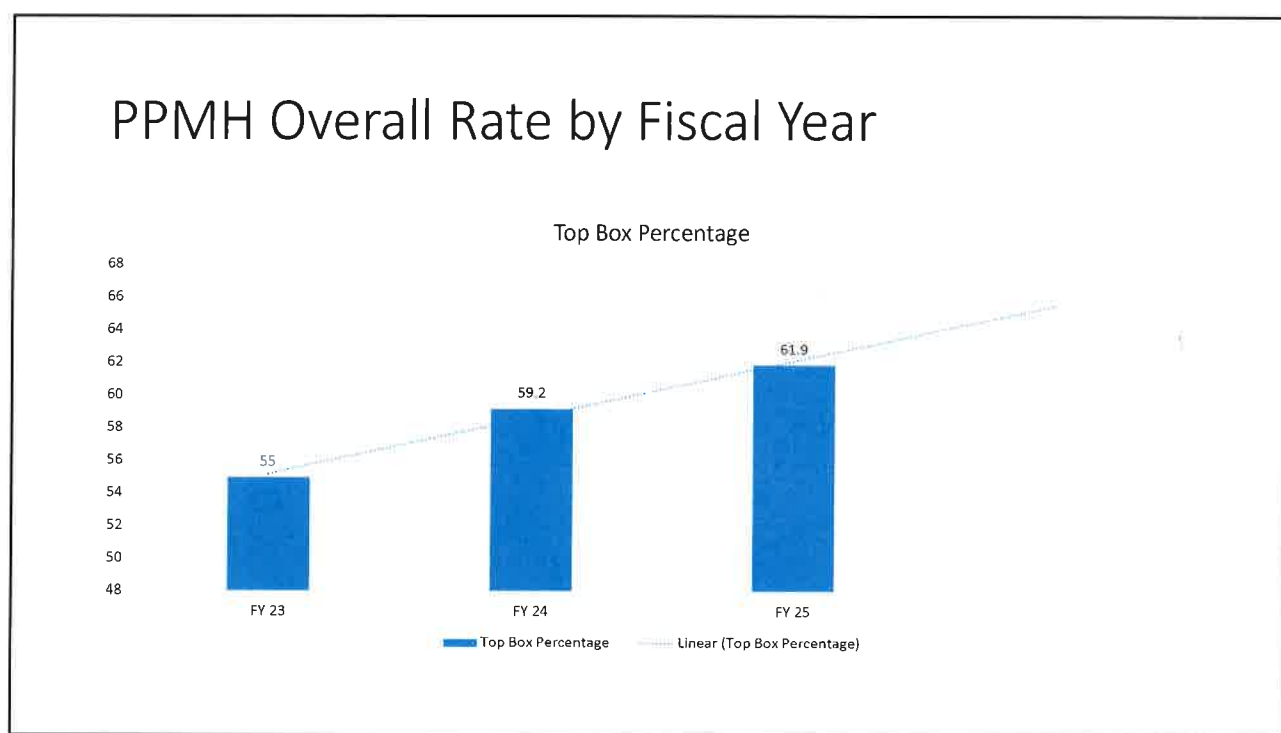
- Transition supported by the expertise of external consultant, Covalus
- Departments and committees are established to plan accordingly
- Coordination with contractor so departments can gain access prior to January 15 for training, certifications, simulations, etc.
- Weekly planning meetings

26

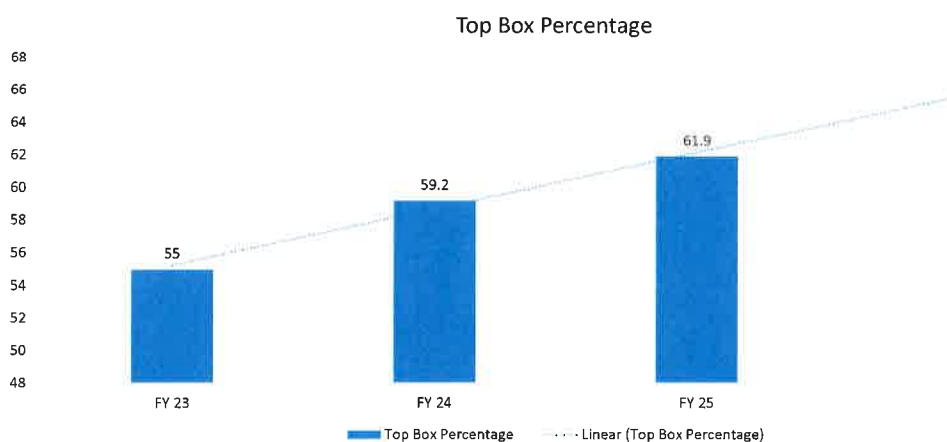
Questions?

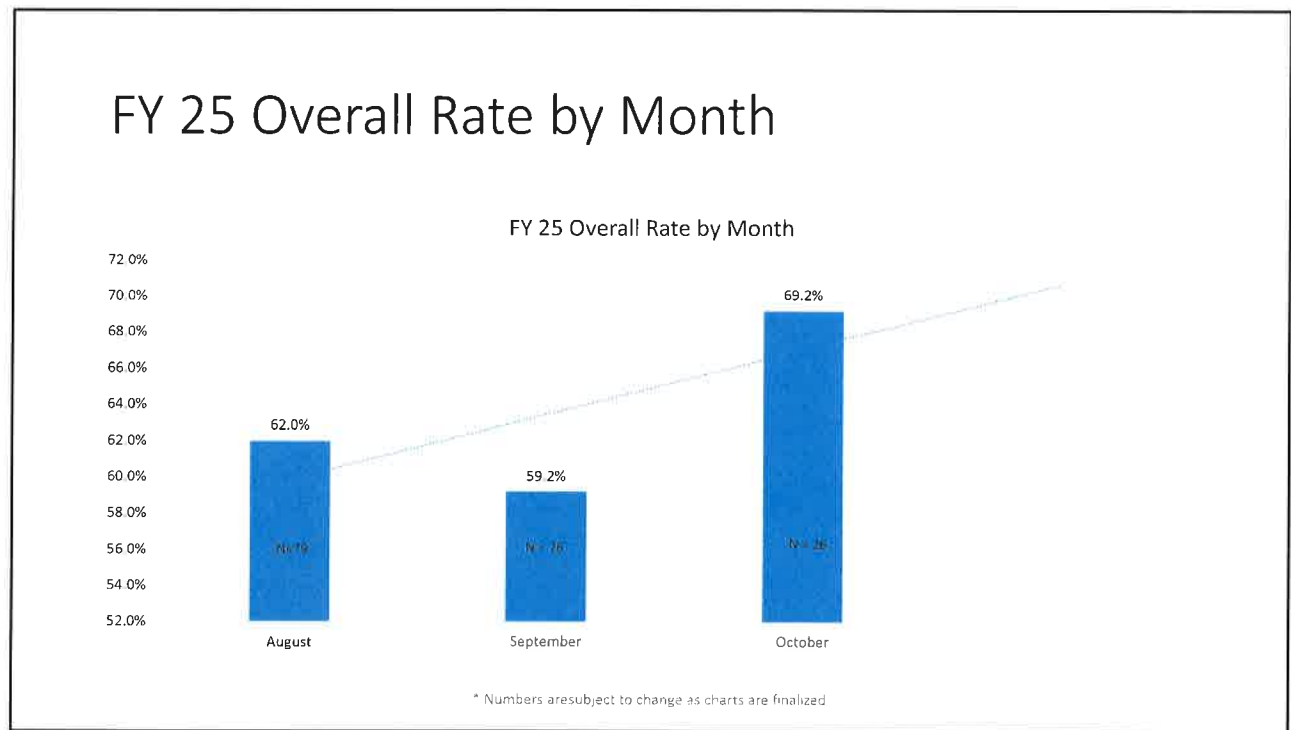
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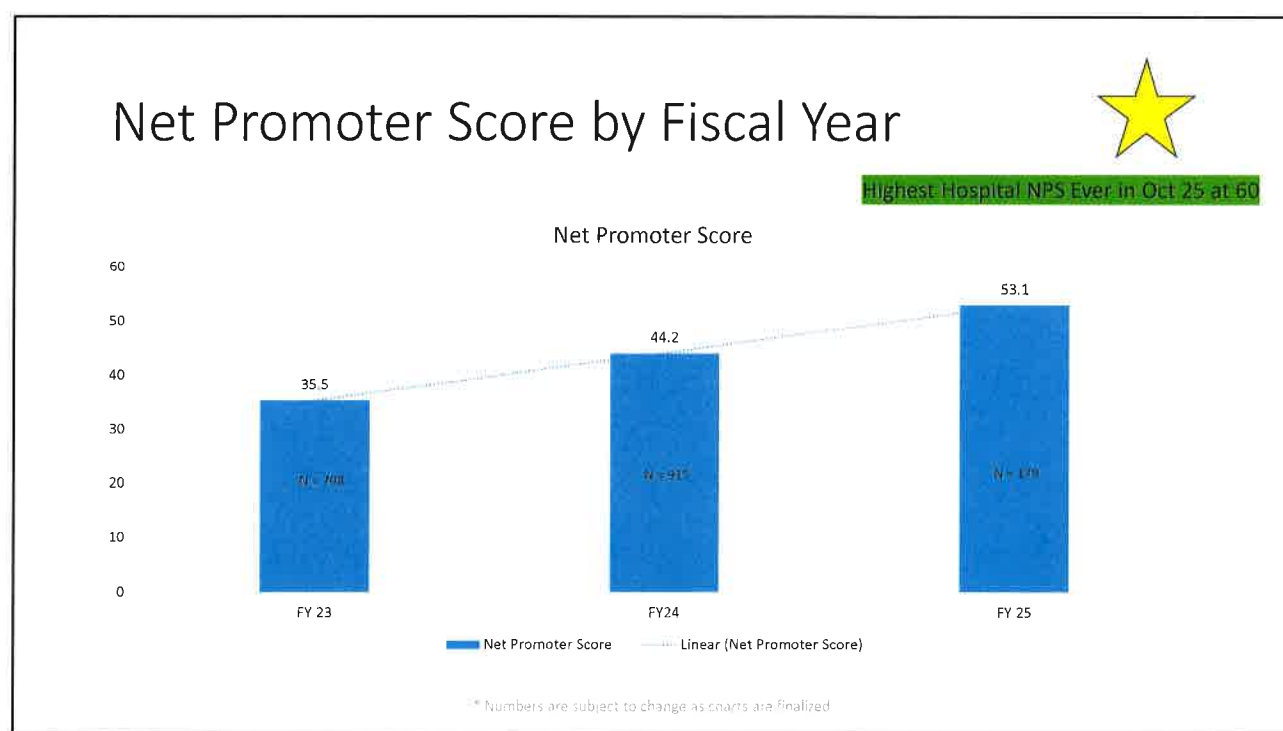




PPMH Overall Rate by Fiscal Year



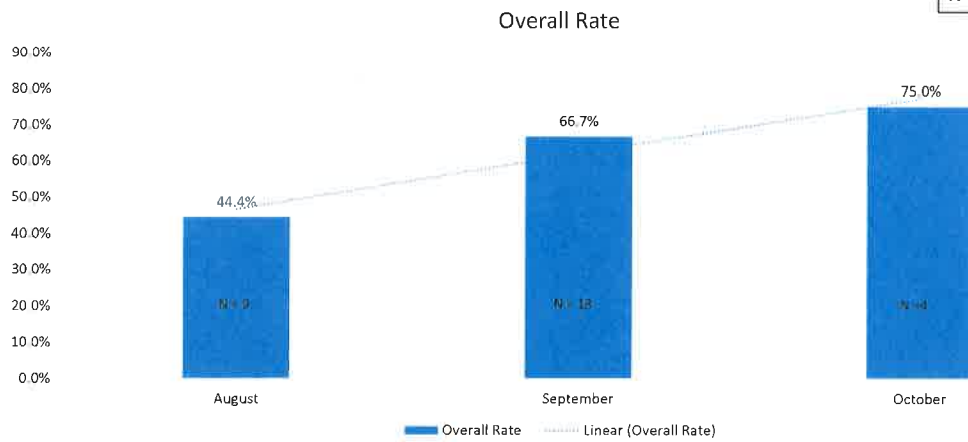




FY 25 Department Spotlight: 6 AB



Shout out to 5 A/B
N of 1 in Aug = 0%
N of 5 in Sep = 100%



* Numbers are subject to change as charts are finalized

DEI & Community Benefit Update

Jen Williams, PhD
VP/Chief Diversity, Inclusion, and Community Benefit Officer

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Diversity Council Retreat


The Phoebe Way ensures every person has an equitable opportunity to reach and maintain an optimal level of individual health and wellness, regardless of any social drivers of health.




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Diversity Council Retreat



The Health Equity Roadmap
A national initiative to drive improvement in health care outcomes, health equity, diversity and inclusion.



Culturally Appropriate Patient Care



Equitable and Inclusive Organizational Policies




Collection and Use of Data to Drive Action



Diverse Representation in Leadership and Governance



Community Collaboration for Solutions




Systemic and Shared Accountability


The Health Equity Roadmap is a framework to help Phoebe Putney Health System chart our own path toward transformation, thus becoming a more equitable and inclusive organization.

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Health Equity Update




Exploring

Exploring the values and resources needed to publicly commit to embarking upon a journey toward health equity.




Committing

Committing the resources to listen, learn, train and implement policies and practices that establish equity as the standard practice.




Immersing

Immersing the leadership and system into accountability for implementing policies, procedures and cultural structures that support diversity, equity and inclusion.



Affirming

Affirming a just, equitable system culture with continuous equity self-assessments of policies and practices that remove structural barriers to equity.



Transforming

Transforming beyond the system toward supporting a sustainable and equitable ecosystem of health care within the community.

Entity	FY24	FY25	FY26	FY27	FY28
PPHS	Exploring	Committing	Immersing	Affirming	Transforming

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Health Equity: Next Steps

Define and market PPHS commitment to health equity

Develop Community Partner Board focused on health equity

Monthly/Quarterly Lunch & Learns about racism, sexism, ableism

Stratifying patient data by race, ethnicity, language to identify trends

Identification and training of Equity Influencers and Diversity Champions

Increase number of volunteer hours with community organizations working in areas relative to social drivers of health

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Volunteer Program




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Inclusion Begins With "I"



Jen Williams, PhD
VP/Chief Diversity, Inclusion & Community Benefit Officer

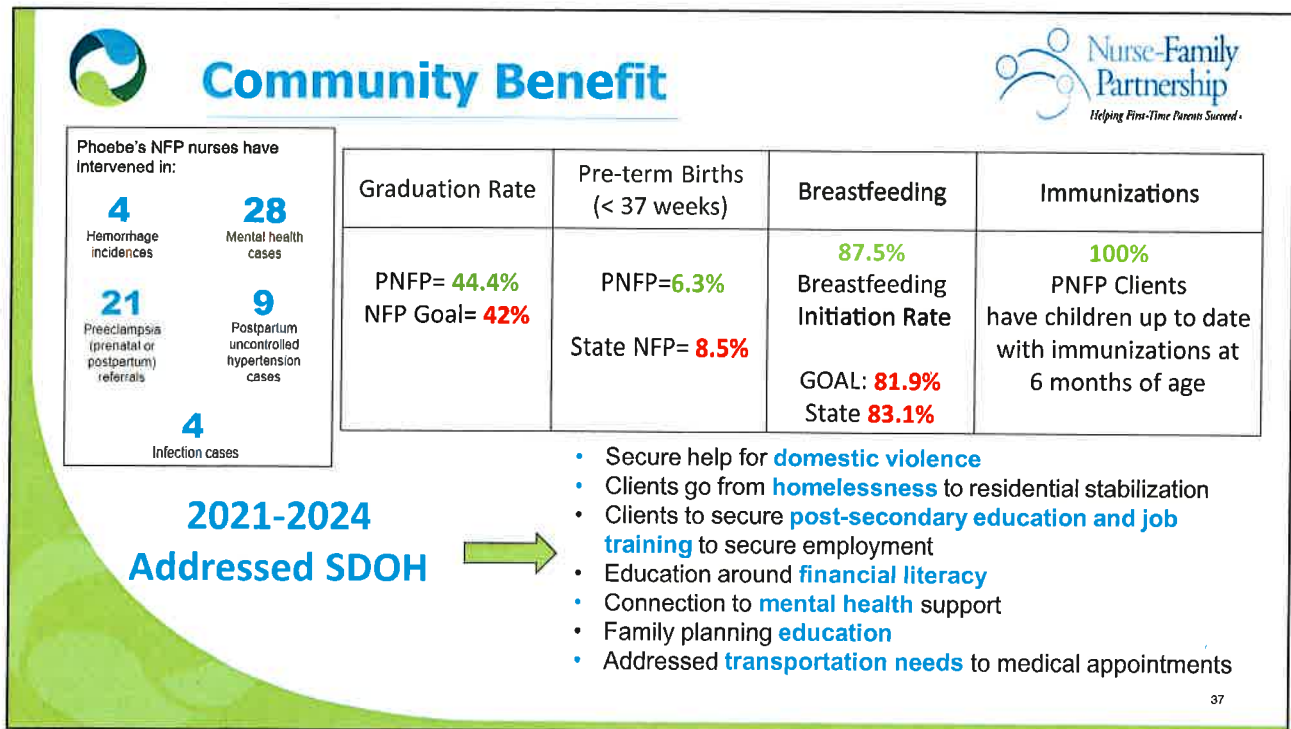
Situation: In January, the Diversity Council launched the *"Inclusion Begins With I" (IBWI) project*. The purpose of this project is to educate and provide tangible ways that each of us can contribute to an inclusive workplace culture where *everyone* feels as if they belong.

Background: Each month, a different topic is presented along with conversation starters, activities, and tools to learn more about the topic of the month.

Assessment: This month, we've selected *"Religious Diversity"* as our topic of the month. This topic is relevant to Phoebe as we have multiple religions represented in our workforce and patient population. Understanding religious diversity can *improve the cultural competency* of our healthcare teams when caring for patients with various religious beliefs.

Request: Please take some time during huddles or department meetings to share the attached IBWI information and to remind your colleagues that diverse perspectives, including religious customs and beliefs, make us stronger as an organization.

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Inclusion Begins With "I"

What Is Religious Diversity?

Religious diversity refers to the presence and interaction of multiple religious beliefs and practices within a given society or community. It encompasses the variety of faith traditions, spiritual practices, and religious identities that individuals may hold, recognizing and respecting the differences and commonalities among them.

Why Does Religious Diversity Matter?

Understanding religious diversity is crucial in healthcare because it directly impacts patient care and outcomes. While this is by no means a complete list, here are a few examples:

Dietary and Medication Restrictions: Typically, Jains, Buddhists, and Sikhs follow vegetarian diets, Muslims and Jews avoid pork, and Hindus avoid cow products. These dietary restrictions can also extend to 40+ medications that contain bovine or porcine derivatives.

Restricted Eating or Fasting: Practiced in Islam (Ramadan), Judaism (Yom Kippur), Christianity (Lent), Latter-day Saints, and others, there may be refusal to eat food during specific times.

Dress Codes: Muslims (Hijab, Burqa) Sikhs (Turban, Chunnii), Jews (Kippah), Latter-day Saints (Temple garments) and many other religions wear religious clothing as part of their beliefs.

Surgical Procedures: Sikhs typically refuse to cut their hair in preparation for surgery, while Jews may request that amputated limbs be preserved to be buried on holy ground. Jehovah's Witnesses, on the other hand, will decline all blood products.

Over 70% of Americans consider religion to be very or somewhat important in their lives. Additionally, demographic shifts in the U.S. suggest a steady increase in those identifying with minority religions such as Judaism, Islam, and Buddhism in the coming decades. These changes underscore the importance of cultural competence in healthcare regarding religious traditions such as fasting, dress, and dietary restrictions to ensure respectful and effective patient care.

What Can I Do?

As an individual, you can educate yourself about various religious beliefs and practices, ask respectful questions, and show empathy towards patients' spiritual needs. As a team, you can foster an inclusive environment by holding conversations on religious diversity and sharing safety stories that spotlight situations where religion interacted with healthcare. Remember, with around 10,000 different religions in the world, it's impossible to know everything, so focus on learning about major religions and their beliefs, and maintain an open mindset and a willingness to learn more! A great resource is the chaplaincy department (229-312-4670) as they can connect you with spiritual leaders, provide holy texts, and answer questions related to religion.

Learn More



[Learn More Link](#)

If you'd like to learn more about the topic, scan the QR code or click the link below to access learning activities, conversation starters, and other resources.

Training Request



If you'd like to supplement this "Inclusion Begins with I" bite-sized training, please scan the QR code to schedule an extended training facilitated by a DEI professional.

Summary of Levers of Transformation

Phoebe Putney Memorial Hospital

Journey as of: 1/17/2024

Exploring

Exploring the values and resources needed to publicly **commit** to embarking upon a journey toward health equity.

Committing

Committing the resources to listen, learn, train and **implement policies and practices** that establish equity as the standard practice.

Immersing

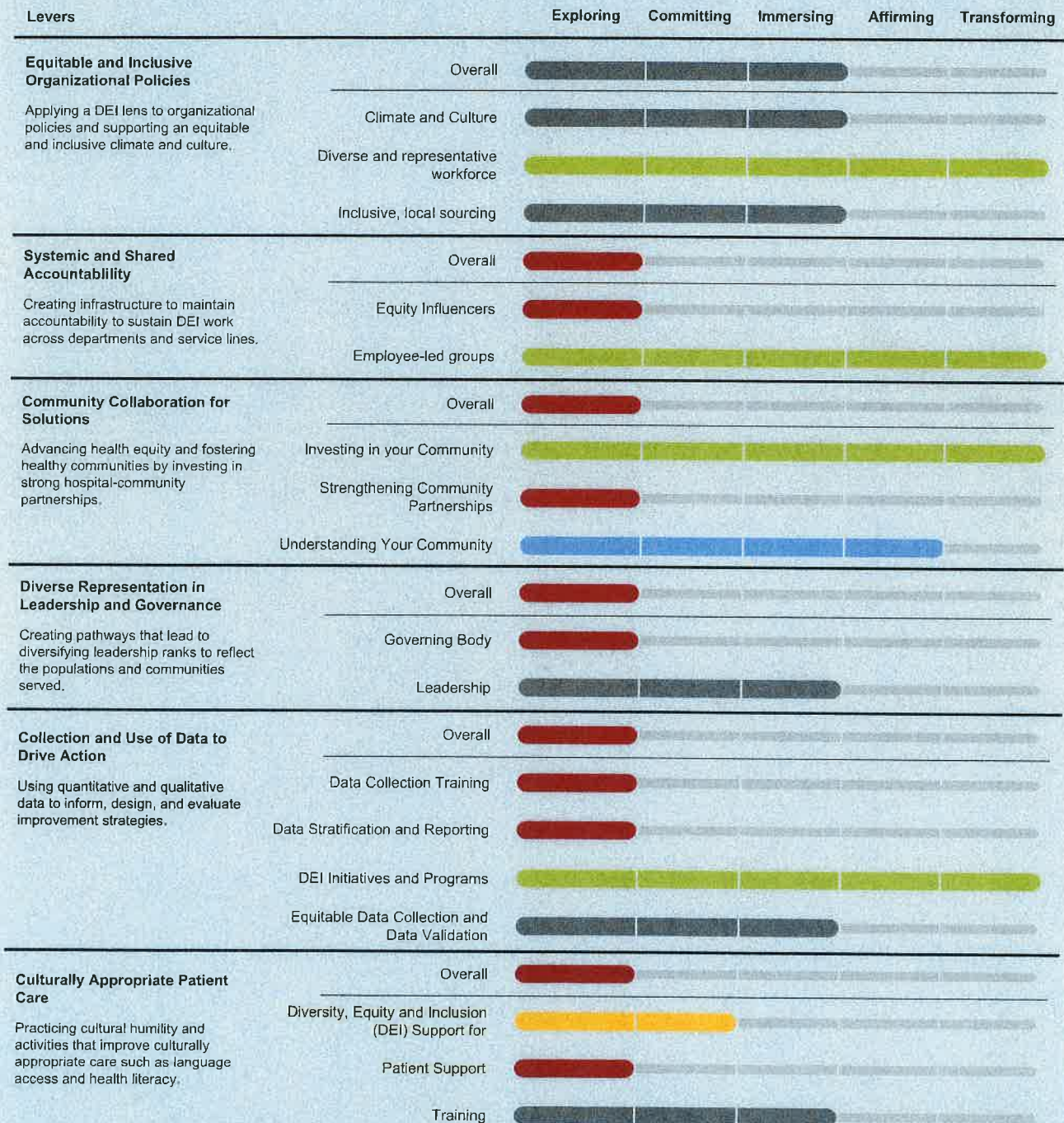
Immersing the leadership and system into **accountability** for implementing policies, procedures and cultural structures that support diversity, equity and inclusion.

Affirming

Affirming a just, equitable system culture with **continuous equity self-assessments** of policies and practices that remove structural barriers to equity.

Transforming

Transforming beyond the system toward **supporting a sustainable and equitable ecosystem** of health care within the community.



The information contained in this report is confidential and unique to your hospital. It will only be shared further with your written consent.

Lee County Hospital Update

1

Lee County Hospital History

- FTC settlement that Phoebe could not oppose a single CON application...DCH grants in 2017
- Site (former Grand Island golf course) on Ledo Road and Nottingham
- Initially promised as a for-profit entity that will support LC with a tax base, then changed to a not-for-profit model with no taxpayer risk/support in ~2021
- Department of Community Health denied a 7th CON extension in spring of 2023 thus ending their CON application
- Lee County stands up a Hospital Authority

2

2

Certificate of Need Changes - 2024

- Counties in GA with a population of less than 50,000 ("Rural") and without an existing hospital can establish an acute care hospital are entitled to a CON exemption
 - Must be a teaching hospital or a trauma center
 - Provides emergency, inpatient, and outpatient psychiatric and behavioral health services
 - Participates in Medicaid
 - Provides at least 3% of its adjusted gross revenue in indigent and charity care
- Other changes regarding birthing centers, bed capacity, imaging assets and equipment purchase thresholds

3

3

Recent Developments

- October 25, 2024 Lee County announces intent to partner with Hughston Medical Center to perform a needs assessment to build a hospital
- Hughston will manage the potential hospital and it will gain exemption by being a "teaching hospital"
- Hospital will be not-for-profit
- Hospital will be funded by \$128M in revenue guaranteed bonds and \$30M that the county (taxpayers) would guarantee

4

4

Who is Hughston Health

- Founded with a focus on orthopedics and an outpatient presence in many communities in GA, AL, FL and TN
- Surgery Centers in Columbus and Valdosta
- Hospital in Phenix City, AL
 - 47 licensed beds
 - C for Leapfrog, 3-star CMS, top performer on patient experience
 - 2023 Medicare discharges – 84% orthopedic surgery
 - Hospital LOS 2.88 and a CMI of 2.81
 - Orthopedic Surgery is their sole teaching/residency program
- OP Orthopedic Office in Lee County (physician visits, imaging, minor procedures and rehab)
 - 95% commercial insurance

5

5

Questions?

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