**BE IT REMEMBERED** that the Chairman and the Board of Trustees of North Sunflower Medical Center, Ruleville, Sunflower County, Mississippi, met in their Regular Meeting on Wednesday,

23 May 2018, when and where the following were present:

Billy Joe Waldrup, Chairman and Trustee; H. T. Miller, III, Vice Chairman and Trustee; Bobbie Bounds Allen, Secretary and Trustee; Willie M. Burton and Phil McNeer, Trustees; Billy Marlow, Executive Director; Sam Miller, CEO; Rodney Clark, COO; Jennifer Baughman, Accounting Manager; Arie Chandler, Administrative Assistant; Sandra Britt, Administrative Assistant; Lawson Holladay, Esquire.

Guests: Jerry Gammel, CPA

Mrs. Betty Jean Marlow

Mr. Waldrup called the meeting to order at noon and asked Mr. Miller to open the meeting with a word of prayer.

Mr. Waldrup asked Mr. Sam Miller to introduce the CPA from Watkins Ward & Stafford who will present the 2017 Drafted Audited Financials. Introductions were made and the meeting was turned over to Mr. Gammel.

Mr. Gammel began by explaining that there were not many significant audit adjustments made because the books were in good shape. The adjustments that were made are as follows:

* Adjusted allowances to calculated amounts decreased net income by $653,506.00.
* Cost Report settlement adjustment increased net income by $2,312,547.00
* Adjustment to pension expense to comply with GASB 68 decreased net income by $9,468,505.00.

Mr. Gammel went on to discuss the PERS Pension Liability numbers that facilities are required by the Governmental Accounting Standards Board to record.

* Total Pension Liability (PERS of MS): $16,223,394,000.00 (decreased from 2016)
* NSMC’s Portion of the Net Pension Liability: 0.391683% (increased from 2016)
* NSMC’s Net Pension Liability: $65,111,008.00 (increased from 2016)

NSMC’s Statements of Revenues, Expenses, and Changes in Net Position with GASB 68:

* Total Operating Revenue: $71,620,868.00
* Total Operating Expense: $79,474,647.00
* Operating Loss: ($7,853,779.00)
* Total Nonoperating Revenues: $495,286.00
* Excess of Revenues Under Expenses: ($7,358,493.00)
* Net Position (deficit) beginning of year: ($10,971,333.00)
* Net Position (deficit) end of year: ($18,299,826.00)

Mr. Gammel‘s presentation of the of the 2017 Drafted Audited Financials was in depth and detailed. The Board asked questions to clarify concerns they had. Mr. Gammel pointed out that the Attorney General’s Opinion regarding GASB 68 and PERS of MS dated March 3, 2017, states that “The facility has no obligation above or beyond the proper payment of these contributions” but that the Governmental Accouning Standards Board Statement No. 68 requires that the facility record a liability for its proportionate share of the plans net pension liability.

Mr. Waldrup thanked Mr. Gammel for his report to the Board and for the diligence with which Mr. Gammel worked on the audit. Mr. Gammel excused himself from the meeting at 12:42 P.M.

The minutes of the 25 April 2018 Regular Board Meeting were approved as distributed by motion offered by Mr. Miller and seconded by Mrs. Allen and unanimously approved.

There was no unfinished business to bring before the Board for consideration.

At this time, Mr. Waldrup asked Mr. Marlow to introduce Mrs. Betty Jean Marlow to the Board. Introductions were made and Mrs. Marlow updated the Board on the recent nursing home visits she has made. Mrs. Marlow stated that she has visited 50 nursing homes where NSMC’s screen team provided dental care to the residents and that overall she felt positive regarding the information she received.

The first item of New Business was for the Board to review each file and Medical Staff recommendation for the two Providers up for re-credentialing. After careful review, the following motion was made:

**MOTION: I move to accept the following providers for a two-year term ending 31 May 2020:**

**Khaled Abu-Hamden, M.D. (Contract, PRN, Psychiatrist) and Jennifer Scott, FNP-BC (Full Time Allied Health Professional at the Sunflower Rural Health Clinic).**

**Maker: Mr. Phil McNeer Seconder: Mr. Willie Burton Motion Unanimously Adopted**

Jennifer Baughman, Accounting Manager, presented the financial information for April as attached to the minutes. The entire Facility has a cash balance of $13.5 Million, total assets of $46.7 Million, and a Total Liabilities and Fund balance of $46.7 Million. April’s Gross Revenue for the Hospital was $7.8 Million. The Hospital had a Net income of $33,692 for April and a Year to Date Net Loss of $857,612. Hospice had a Net Income of $20,018; Sunflower Diagnostic Center had a Net income of $4,540; Sunflower Eye Station had a Net income of $2,744; Simply Sunflower had a Net loss of $1,895; Sunflower DME had a net income of $4,548; NSMC Pharmacy had a net loss of $7,748; TRINA Health had a Net loss of $4,518; and the Rural Health Clinic had a net income of $198,528 for the month of April.

Sam Miller gave the Administrator’s report as follows:

Mr. Joe Canizaro and four members from the Cleveland Clinic/NDORI Obesity Study Team will be coming to North Sunflower Medical Center on June 8th from 10 A.M. until 2 P.M. to take a tour of the facility and discuss all aspects of the Obesity Study Grant.

Walter B Crook is currently undergoing a survey by the MS State Department of Health. The State brought a team of six surveyors and is scheduled to be on site five to seven days. At this time the survey is going well.

We are in the process of credentialing a Podiatrist that is already seeing patients at several facilities in the Delta. There is a need for podiatry services and we look forward to being able to offer this service at NSMC.

Rodney Clark gave the Quality Report as follows:

Congressman Bennie Thompson recognized North Sunflower Medical Center and its many accomplishments while speaking on the House of Representatives Floor in Washington D.C. This humbling speech is now part of the United States Congressional Register dated March 29, 2018. In the speech Congressman Thompson mentioned that 83% of patients said that they would “definitely recommend” the medical center compared to an average of 70% for MS hospitals and 72% nationwide. Mr. Clark explained that the 83% is actually 90% but because our surveys are conducted over the phone we are deducted 7 points.

Upon Motion made by Mrs. Allen and seconded by Mr. McNeer, the Board adjourned at 1:16 P.M., subject to the call of the Chairman.

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Billy Joe Waldrup, Chairman Bobbie Bounds Allen, Secretary