

**NORTH SUNFLOWER MEDICAL CENTER
RULEVILLE, MISSISSIPPI**

**AUDITED FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
SEPTEMBER 30, 2021**

NORTH SUNFLOWER MEDICAL CENTER
September 30, 2021

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WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

James L. Stafford, CPA
Harry W. Stevens, CPA
S. Keith Winfield, CPA
William B. Stagers, CPA
Michael W. McCully, CPA
R. Steve Sinclair, CPA
Marsha L. McDonald, CPA
Wanda S. Holley, CPA
Robin Y. McCormick, CPA/PFS
J. Randy Scrivner, CPA
Kimberly S. Caskey, CPA
Susan M. Lummus, CPA

Stephen D. Flake, CPA
John N. Russell, CPA
Anita L. Goodrum, CPA
Ricky D. Allen, CPA
Jason D. Brooks, CPA
Robert E. Cordle, Jr., CPA
Perry C. Rackley, Jr., CPA
Jerry L. Gammel, CPA
Michael C. Knox, CPA
Clifford P. Stewart, CPA
Edward A. Maxwell, CPA

Independent Auditors' Report

The Board of Trustees
North Sunflower Medical Center
Ruleville, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of North Sunflower Medical Center, a component unit of Sunflower County, Mississippi, as of and for the years ended September 30, 2021, and 2020, and the related notes to financial statements, which collectively comprise North Sunflower Medical Center's basic financial statements as listed in the contents.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Sunflower Medical Center, a component unit of Sunflower County, Mississippi, as of September 30, 2021, and 2020, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the financial information of North Sunflower Medical Center and do not purport to, and do not, present fairly the financial position of Sunflower County, Mississippi as of September 30, 2021, and 2020, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 4 to 9), the Schedule of the Hospital's Proportionate Share of the Net Pension Liability (page 34), the Schedule of Hospital Contributions (page 35), and Notes to Required Supplementary Information (page 36) be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Detailed Schedules of Operating Revenues (pages 39 to 41) and Detailed Schedules of Operating Expenses (page 42) for the years ended September 30, 2021, and 2020, and the Schedule of Surety Bonds for Officials and Employees (page 43) are presented for purposes of additional analysis and are not required parts of the basic financial statements. The Schedule of Expenditures of Federal Awards (page 44) is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Surety Bonds for Officials and Employees and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such

information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Surety Bonds for Officials and Employees and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

The Detailed Schedules of Operating Revenues and Detailed Schedules of Operating Expenses for the years ended September 30, 2021, and 2020 have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we do not express an opinion on them or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2023, on our consideration of North Sunflower Medical Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of North Sunflower Medical Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Sunflower Medical Center's internal control over financial reporting and compliance.

Eupora, Mississippi
January 19, 2023

Watkins Ward and Stafford, P.C.

**North Sunflower Medical Center
Management's Discussion and Analysis
Years Ended September 30, 2021, and 2020**

Our discussion and analysis of North Sunflower Medical Center's financial performance provides an overview of the facility's financial activities for the fiscal years ended September 30, 2021, and 2020. Please read it in conjunction with the facility's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- ◆ The facility's net deficit decreased by \$8,277,374, or 22.63%, from 2020 to 2021, and increased by \$4,346,682, or 13.48%, from 2019 to 2020.
- ◆ The facility reported an operating loss of \$1,524,406 in 2021, and \$5,742,167 in 2020.
- ◆ Nonoperating revenues increased by \$8,632,384, or 506.84%, in 2021 compared to 2020. Nonoperating revenues increased by \$1,302,485, or 325.05%, in 2020 compared to 2019.

USING THIS ANNUAL REPORT

The facility's financial statements consist of three statements – Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows. These financial statements and related notes provide information about the activities of the facility, including resources held by the facility but restricted for specific purposes by contributors, grantors, or enabling legislation.

The Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position

Our analysis of the facility's finances begins on page 5. One of the most important questions asked about the facility's finances is, "Is the facility as a whole better or worse off as a result of the year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information about the facility's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets, deferred outflows, deferred inflows, 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.

These two statements report the facility's net deficit and changes in it. You can think of the facility's net deficit – the difference between assets and liabilities – as one way to measure the facility's financial health, or financial position. Over time, increases or decreases in the facility's net deficit is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the facility's patient base and measures of the quality of service it provides to the community, as well as local economic factors, to assess the overall health of the facility.

**North Sunflower Medical Center
Management's Discussion and Analysis
Years Ended September 30, 2021, and 2020**

USING THIS ANNUAL REPORT (Continued)

The Statements of Cash Flows

The final required statement is the Statements of Cash Flows. The 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 FACILITY'S NET DEFICIT

- ◆ The facility's net deficit is the difference between its assets combined with deferred outflows and liabilities combined with deferred inflows reported in the Statements of Net Position on pages 10 and 11. The facility's net deficit decreased by \$8,277,374, or 22.63%, from 2020 to 2021, and increased by \$4,346,682, or 13.48%, from 2019 to 2020.

Table 1: Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Deficit

	2021	2020
Assets:		
Current assets	\$ 35,462,993	\$ 39,241,449
Capital assets, net	10,031,352	10,870,109
Other noncurrent assets	413,495	560,894
Total Assets	45,907,840	50,672,452
Deferred Outflows of Resources	15,035,438	7,884,449
Total Assets and Deferred Outflows	\$ 60,943,278	\$ 58,556,901
Liabilities:		
Current liabilities	\$ 8,562,659	\$ 16,532,247
Long-term debt outstanding	59,020,490	73,002,981
Total Liabilities	67,583,149	89,535,228
Deferred Inflows of Resources	21,665,269	5,604,187
Net Deficit:		
Invested in capital assets, net of related debt	5,464,690	5,944,365
Unrestricted	(33,769,830)	(42,526,879)
Total Net Deficit	(28,305,140)	(36,582,514)
Total Liabilities, Deferred Inflows, and Net Deficit	\$ 60,943,278	\$ 58,556,901

**North Sunflower Medical Center
Management's Discussion and Analysis
Years Ended September 30, 2021, and 2020**

THE FACILITY'S NET DEFICIT (Continued)

Additional information on unrestricted net deficit:

In connection with the implementation of standards on accounting and financial reporting for pensions, management presents the following additional information:

	2021	2020
Total unrestricted net deficit	\$ (33,769,830)	\$ (42,526,879)
Less unrestricted deficit in net position resulting from recognition of the net pension liability	63,203,872	65,694,353
Unrestricted net position, exclusive of the net pension liability effect	\$ 29,434,042	\$ 23,167,474

The change in the facility's net deficit is due to several factors. The facility's cash balance decreased by \$1,610,870, or 7.31%, compared to 2020. Patient accounts receivable net of estimated uncollectibles and allowances increased by \$769,519, or 7.32%, compared to 2020. Receivable from third-party payors decreased by \$2,754,283, or 72.26%, compared to 2020. The facility acquired capital assets in the amounts of \$634,254, and \$623,812, for the years 2021, and 2020, respectively. The facility had deferred revenue of \$0, and \$5,562,244, as of September 30, 2021, and 2020, respectively. In 2020, the facility also acquired goodwill in the drug center in the amount of \$1,492,000. The facility incurred new debt of \$1,873,136, and \$4,300,000, in 2021, and 2020, respectively. Depreciation and amortization expenses amounted to \$1,257,095, and \$1,531,950, for the years 2021, and 2020, respectively.

**North Sunflower Medical Center
Management's Discussion and Analysis
Years Ended September 30, 2021, and 2020**

OPERATING RESULTS AND CHANGES IN THE FACILITY'S NET DEFICIT

Table 2: Operating Results

	2021	2020
Operating Revenues:		
Net patient service revenue	\$ 68,243,280	\$ 60,294,989
Other revenues	2,205,169	2,901,183
Total Operating Revenues	70,448,449	63,196,172
Operating Expenses:		
Salaries and benefits	36,322,296	37,165,732
Supplies and drugs	17,310,992	13,115,089
Other operating expenses	16,353,242	16,464,041
Insurance	729,230	661,527
Depreciation and amortization	1,257,095	1,531,950
Total Operating Expenses	71,972,855	68,938,339
Operating Loss	(1,524,406)	(5,742,167)
Nonoperating Revenues (Expenses):		
Interest and investment income	97,795	194,459
Interest expense	(273,473)	(323,991)
Gain (Loss) on sale of assets	(260,314)	7,489
Grants	151,332	107,697
Provider Relief Funds	5,743,558	1,401,027
Forgiveness of debt - Payroll Protection Program	4,342,882	-
Total Nonoperating Revenues (Expenses)	9,801,780	1,386,681
Excess of Revenues Over (Under) Expenses	8,277,374	(4,355,486)
Net Deficit Beginning of Year	(36,582,514)	(32,235,652)
Contributed Capital	-	8,624
Net Deficit End of Year	\$ (28,305,140)	\$ (36,582,514)

**North Sunflower Medical Center
Management's Discussion and Analysis
Years Ended September 30, 2021, and 2020**

OPERATING RESULTS AND CHANGES IN THE FACILITY'S NET DEFICIT (Continued)

Operating Loss

The first component of the overall change in the facility's net deficit is its operating loss – generally, the difference between net patient service and other operating revenues and the expenses incurred to perform those services. The operating loss in 2021 decreased by \$4,217,761, or 73.45%, compared to the operating loss reported in 2020. The operating loss in 2020 decreased by \$598,934, or 11.65%, compared to the operating loss reported in 2019.

The primary components responsible for the fluctuations in operating loss are:

- ◆ An increase in net patient service revenues of \$7,948,291, or 13.18%, in 2021 compared to 2020, and a decrease of \$523,355, or 0.86%, in 2020 compared to 2019. Medicaid Mississippi hospital access payments, a component of net patient revenue, totaled \$775,689 in 2021, and \$889,644 in 2020.
- ◆ A decrease in other revenue of \$696,014, or 23.99%, in 2021 compared to 2020, and an increase of \$974,999, or 50.62%, in 2019 compared to 2018. The facility received a ZPIC settlement, a component of other revenue, of \$0 in 2021 and \$526,673 in 2020.
- ◆ A decrease in salaries and benefits of \$843,436, or 2.27%, in 2021 compared to 2020, and a decrease of \$1,399,094, or 3.63%, in 2020 compared to 2019. This is mainly due to a pension expense balance of a negative \$2,490,481 in 2021, and \$5,016,344 in 2020.
- ◆ An increase in supplies and drugs, other operating expenses, and insurance of \$4,152,807, or 13.73%, in 2021 compared to 2020, and an increase of \$2,849,720, or 10.40%, in 2020 compared to 2019.

Nonoperating Revenues and Expenses

Nonoperating revenues consist primarily of interest income, net investment earnings, grants and contributions, Provider Relief Funds, and forgiveness of Payroll Protection Program debt. The facility had interest income, primarily from checking accounts, of \$97,795 for the year ended September 30, 2021, and \$194,459 for the year ended September 30, 2020. The facility received grants and contributions of \$151,332 for the year ended September 30, 2021, and \$1,07,697 for the year ended September 30, 2020. The facility received Provider Relief Funds of \$5,743,558 for the year ended September 30, 2021, and \$1,401,027 for the year ended September 30, 2020. The facility received forgiveness of Payroll Protection Program debt of \$4,342,882 for the year ended September 30, 2021.

Nonoperating expenses consist primarily of interest expense and gain (loss) on sale of assets. The facility had interest expense in the amount of \$273,473 for the year ended September 30, 2021, and \$323,991 for the year ended September 30, 2020. The facility had a loss on sale of assets of \$260,314 for the year ended September 30, 2021, and a gain on sale of assets of \$7,489 for the year ended September 30, 2020.

**North Sunflower Medical Center
Management's Discussion and Analysis
Years Ended September 30, 2021, and 2020**

THE HOSPITAL'S CASH FLOWS

Changes in the hospital's cash flows are consistent with changes in operating loss and nonoperating revenues and expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The facility had \$10,031,352 invested in capital assets net of accumulated depreciation at September 30, 2021, and \$10,870,109 at September 30, 2020. The facility had capital expenditures of \$634,254, and \$623,812 in 2021, and 2020, respectively. See Note 5 for a detailed analysis of capital assets.

Long-Term Debt

At September 30, 2021, the facility had \$4,566,662 in long-term debt outstanding, including the current portion. The facility incurred new debt of \$1,873,136 in 2021 while making \$2,232,218 in principal payments. The facility also received forgiveness for their PPP Loan in the amount of \$4,300,000 in 2021. In 2020, the facility had \$9,225,744 in long-term debt outstanding, including the current portion. The facility incurred new debt of \$4,300,000 in 2020 while making \$434,126 in principal payments. See Note 6 for a detailed analysis of long-term debt.

CONTACTING THE FACILITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our patients, suppliers, taxpayers, and creditors with a general overview of the facility's finances and to show the facility's accountability for the money it receives. If you have questions about this report or need additional financial information, contact North Sunflower Medical Center's administrative offices at 662-756-2711.

NORTH SUNFLOWER MEDICAL CENTER
Statements of Net Position
September 30, 2021, and 2020

Assets and Deferred Outflows of Resources

	2021	2020
Current Assets:		
Cash	\$ 20,287,274	\$ 21,947,152
Cash - nursing home residents' funds	131,168	82,160
Patient accounts receivable (Net of estimated uncollectibles and allowances of \$7,925,260 in 2021, and \$7,086,607 in 2020)	11,279,282	10,509,763
Estimated third-party payor settlements	1,057,310	3,811,593
Other receivables	189,151	670,427
Inventories	2,009,783	1,966,537
Prepaid expenses	441,191	187,145
Current portion of deferred expenses	67,834	66,672
Total Current Assets	35,462,993	39,241,449
Capital Assets:		
Property and equipment (Net of accumulated depreciation and amortization of \$25,512,866 in 2021, and \$24,382,777 in 2020)	10,031,352	10,870,109
Other Assets:		
Investment in Healthcare Providers Insurance Company	98,490	98,490
Investment in TRINA Health	-	200,000
Unemployment reserve funds	83,529	65,912
Deferred expenses	231,476	196,492
Total Other Assets	413,495	560,894
Total Assets	45,907,840	50,672,452
Deferred Outflows of Resources:		
Deferred outflows - pensions	13,443,438	6,292,449
Deferred outflows - hospice	100,000	100,000
Deferred outflows - drug center	1,492,000	1,492,000
Total Deferred Outflows of Resources	15,035,438	7,884,449
Total Assets and Deferred Outflows of Resources	\$ 60,943,278	\$ 58,556,901

The accompanying notes to financial statements are an integral part of these financial statements.

NORTH SUNFLOWER MEDICAL CENTER
Statements of Net Position
September 30, 2021, and 2020

Liabilities, Deferred Inflows of Resources, and Net Deficit

	2021	2020
Current Liabilities:		
Accounts payable	\$ 1,971,726	\$ 2,678,894
Patient accounts receivable - credit balances	567,745	304,901
Current portion of notes payable	90,068	2,216,975
Current portion of bond payable	160,000	155,000
Current portion of capitalized lease obligation	278,145	233,403
Accrued expenses and payroll withholdings	5,363,807	5,298,670
Nursing home residents' funds	131,168	82,160
Deferred revenue	-	5,562,244
Total Current Liabilities	8,562,659	16,532,247
Long-Term Debt:		
Notes payable	2,200,284	4,460,575
Bond payable	1,445,971	1,560,000
Capitalized lease obligation	392,194	599,791
Net pension liability	54,982,041	66,382,615
Total Long-Term Debt	59,020,490	73,002,981
Total Liabilities	67,583,149	89,535,228
Deferred Inflows of Resources:		
Deferred inflows - pensions	21,665,269	5,604,187
Net Deficit:		
Invested in capital assets, net of related debt	5,464,690	5,944,365
Unrestricted	(33,769,830)	(42,526,879)
Total Net Deficit	(28,305,140)	(36,582,514)
Total Liabilities, Deferred Inflows of Resources, and Net Deficit	\$ 60,943,278	\$ 58,556,901

The accompanying notes to financial statements are an integral part of these financial statements.

NORTH SUNFLOWER MEDICAL CENTER
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended September 30, 2021, and 2020

	2021	2020
Operating Revenues:		
Net patient service revenue (Net of provision for uncollectible accounts of \$3,997,816 in 2021, and \$3,987,605 in 2020)	\$ 68,243,280	\$ 60,294,989
Other revenue	2,205,169	2,901,183
Total Operating Revenues	70,448,449	63,196,172
Operating Expenses:		
Salaries and benefits	36,322,296	37,165,732
Supplies and drugs	17,310,992	13,115,089
Other operating expenses	16,353,242	16,464,041
Insurance	729,230	661,527
Depreciation and amortization	1,257,095	1,531,950
Total Operating Expenses	71,972,855	68,938,339
Operating Loss	(1,524,406)	(5,742,167)
Nonoperating Revenues (Expenses):		
Interest income	97,795	194,459
Interest expense	(273,473)	(323,991)
Gain (Loss) on sale of assets	(260,314)	7,489
Grants	151,332	107,697
Provider Relief Funds	5,743,558	1,401,027
Forgiveness of debt - Payroll Protection Program	4,342,882	-
Total Nonoperating Revenues (Expenses)	9,801,780	1,386,681
Excess of Revenues Over (Under) Expenses	8,277,374	(4,355,486)
Net Deficit Beginning of Year	(36,582,514)	(32,235,652)
Contributed Capital	-	8,624
Net Deficit End of Year	\$ (28,305,140)	\$ (36,582,514)

The accompanying notes to financial statements are an integral part of these financial statements.

NORTH SUNFLOWER MEDICAL CENTER
Statements of Cash Flows
Years Ended September 30, 2021, and 2020

	2021	2020
Cash Flows From Operating Activities:		
Receipts from and on behalf of patients	\$ 70,516,630	\$ 58,144,295
Payments to suppliers and contractors	(35,078,430)	(29,335,337)
Payments to and on behalf of employees	(38,645,155)	(35,471,805)
Receipts from other than patients	2,254,177	2,411,111
Net Cash Used by Operating Activities	(952,778)	(4,251,736)
Cash Flows From Noncapital Financing Activities:		
Grants and donations	-	107,697
Provider Relief Funds	332,646	6,963,271
Proceeds from issuance of long-term debt	-	4,300,000
Net Cash Provided by Noncapital Financing Activities	332,646	11,370,968
Cash Flows From Capital and Related Financing Activities:		
Principal payments on bond payable	(1,885,000)	(145,000)
Principal payments on notes payable	(44,316)	(82,894)
Principal payments on capitalized lease obligation	(247,398)	(206,232)
Purchase of property and equipment	(425,748)	(623,812)
Proceeds from refunding of bonds	1,788,593	-
Proceeds from sale of assets	31,758	7,489
Capital contributions	-	8,624
Interest paid on long-term debt	(306,422)	(313,485)
Net Cash Used by Capital and Related Financing Activities	(1,088,533)	(1,355,310)
Cash Flows From Investing Activities:		
Interest and investment income	97,795	194,459
Purchase of drug center goodwill	-	(1,492,000)
Net Cash Provided (Used) by Investing Activities	97,795	(1,297,541)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,610,870)	4,466,381
Cash and Cash Equivalents at Beginning of Year	22,029,312	17,562,931
Cash and Cash Equivalents at End of Year	\$ 20,418,442	\$ 22,029,312

The accompanying notes to financial statements are an integral part of these financial statements.

NORTH SUNFLOWER MEDICAL CENTER
 Statements of Cash Flows
 Years Ended September 30, 2021, and 2020

	2021	2020
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:		
Operating loss	\$ (1,524,406)	\$ (5,742,167)
Adjustment to Reconcile Operating Loss to Net Cash Flows Used by Operating Activities:		
Depreciation and amortization	1,257,095	1,531,950
Pension expense adjustment	(2,490,481)	982,184
HPIC equity credit	(130,532)	(175,391)
Deferred expenses	(36,146)	120,631
Changes in:		
Patient accounts receivable	(506,675)	1,450,302
Supplies and other current assets	296,899	(193,041)
Accounts payable, accrued expenses, and other current liabilities	(572,815)	1,882,685
Estimated third-party payor payments	2,754,283	(4,108,889)
Net Cash Used by Operating Activities	<u>\$ (952,778)</u>	<u>\$ (4,251,736)</u>

Capital and Financing Activities:

The facility entered into new capital lease obligations of \$84,543, and \$0, during the years ended September 30, 2021, and 2020.

The accompanying notes to financial statements are an integral part of these financial statements.

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 1: Description of Reporting Entity and Summary of Significant Accounting Policies

a. Reporting Entity – The facility provides inpatient, outpatient, emergency, psychiatric, long-term care, durable medical equipment, pharmacy, hospice, and diagnostic services for residents of Sunflower County, Mississippi, and surrounding areas. The facility is governed by a Board of Trustees appointed by the Board of Supervisors of Sunflower County, Mississippi.

Under Governmental Accounting Standards Board Statement Number 14: *The Financial Reporting Entity*, the facility is defined as a component unit of Sunflower County, Mississippi. These financial statements present only the financial position and results of operations and cash flows of North Sunflower Medical Center.

b. Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles 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. Significant estimates include allowance for uncollectibles, third-party settlements, and deferred inflows and outflows related to pensions.

c. Basis of Accounting and Presentation – The facility prepares their financial statements as business-type activities in conformity with applicable pronouncement of Governmental Accounting Standards Board (“GASB”) using the economic resources measurement and focus. The financial statements of the facility have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, and liabilities and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions (principally federal and state grants and county contributions, if any) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated or voluntary nonexchange transactions. Government-mandated or voluntary nonexchange transactions that are not program specific (such as county contributions), investment income and interest on capital asset-related debt are included in nonoperating revenue and expenses. The facility first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

d. Cash – For purposes of the statements of cash flows, cash and cash equivalents include all cash on hand and checking accounts of the facility. The following table provides a reconciliation of cash and cash equivalents reported within the statements of net position that sum to the total of the same such amounts shown in the statements of cash flows:

	2021	2020
Cash	\$ 20,287,274	\$ 21,947,152
Cash - nursing home residents' funds	131,168	82,160
	\$ 20,418,442	\$ 22,029,312

Cash includes unrestricted cash used for operating purposes only.

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 1: Description of Reporting Entity and Summary of Significant Accounting Policies
(Continued)

e. Capital Assets – The facility’s policy is to capitalize acquisition and construction costs greater than \$5,000 which will provide benefit to future periods. Capital assets are reported at historical cost. Contributed capital assets are reported at their estimated fair value at the time of their donation. All capital assets other than land are depreciated or amortized (in the case of capital leases) using the straight-line method of depreciation, using the following asset lives:

Land improvements	5 to 20 years
Building and building improvements	5 to 40 years
Equipment, computers, and furniture	3 to 20 years

f. Deferred Outflows and Deferred Inflows of Resources – In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The facility has incurred deferred outflows which are presented as deferred outflows related to pensions and goodwill in the hospice and drug center acquisitions.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The facility has incurred a deferred inflow which is presented as a deferred inflow related to pensions. See Note 10 for further details.

g. Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees’ Retirement System of Mississippi and additions to and deductions from Public Employees’ Retirement System of Mississippi’s fiduciary net position have been determined on the same basis as they are reported by Public Employees’ Retirement System of Mississippi. For this purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

h. Grants and Contributions – From time to time, the facility receives grants from Sunflower County and the State of Mississippi, as well as contributions from individuals and private organizations. 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 revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

i. Restricted Resources – When the facility has both restricted and unrestricted resources available to finance a particular program, the facility’s policy is to use restricted resources before unrestricted resources.

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 1: Description of Reporting Entity and Summary of Significant Accounting Policies
(Continued)

j. Net Deficit – Net deficit of North Sunflower Medical Center is classified in two components. *Invested in capital assets, net of related debt* consists of capital assets net of accumulated depreciation and is reduced by the balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Unrestricted net deficit* is the remaining net deficit that does not meet the definition of *invested in capital assets, net of related debt*.

k. Operating Revenues and Expenses – The facility's statements of revenues, expenses, and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services – the facility's principal activity. Nonexchange revenues, including grants and contributions received for purposes other than capital assets acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

l. Net Patient Service Revenue – The facility has agreements with third-party payors that provide for payments to the facility at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

n. Compensated Absences – North Sunflower Medical Center's employees earn PTO time at varying rates depending on years of service. PTO time is used for absences such as vacation, holidays, personal time off, and the first two days of illness and is payable upon termination not to exceed 480 hours.

o. Risk Management – The facility is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The facility purchases coverage of risks of loss related to torts and malpractice up to \$500,000 per case from Healthcare Providers Insurance Company. The facility purchases coverage of risks of loss related to theft of, damage to, and destruction of assets from various commercial insurance carriers. The facility purchases coverage of risk of loss related to workers' compensation claims from Bridgefield Employers Insurance Company. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three years.

Under Governmental Accounting Standards Board Statement Number 10: *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, a liability for a claim must be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The facility has not been exposed to any risk of loss above the applicable insurance coverage amounts at September 30, 2021; therefore, no liability has been accrued at this time.

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 1: Description of Reporting Entity and Summary of Significant Accounting Policies (Continued)

p. Income Taxes – As a political subdivision of the State of Mississippi, the facility qualifies as a tax-exempt organization under existing provisions of the Internal Revenue Code, and its income is not subject to federal or state income taxes.

q. Inventories of Supplies and Drugs – Inventories of supplies and drugs are stated at the lower of cost (first-in, first-out) or market.

r. Excess of Revenues Over (Under) Expenses – The statements of revenues, expenses, and changes in net position includes excess of revenues over (under) expenses. Changes in net deficit which are excluded from excess of revenues over (under) expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets).

Note 2: Cash and Other Deposits

a. Bank Deposits – The facility deposits funds in financial institutions selected by the Board of Trustees and invests excess funds in investment instruments that are allowed by statutes. Various restrictions on deposits and investments are imposed by statutes.

The collateral for public entities' deposits in financial institutions is required to be held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under the program, an entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation. All of the facility's funds eligible to be included in the state's collateral pool program were properly included and were fully collateralized as of September 30, 2021, and 2020.

b. Custodial Credit Risk – Deposits – Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the facility will not be able to recover deposits or collateral securities that are in the possession of an outside party. The facility does not have a deposit policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the facility. As of September 30, 2021, and 2020, none of the facility's bank balance was exposed to custodial credit risk.

c. Interest Rate Risk – The facility does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 2: Cash and Other Deposits (Continued)

d. Credit Risk – State law limits investments to those prescribed in Sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972). The facility does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Note 3: Charity Care

The facility provides care to patients who meet certain criteria under its charity care policy. Because the facility does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue. The cost of charity care provided in 2021, and 2020, approximated \$107,000, and \$139,000, respectively.

Note 4: Patient Accounts Receivable – Estimated Uncollectibles and Allowances

The balance in the estimated uncollectibles and allowances accounts at September 30, 2021, and 2020, is comprised of the following:

	<u>2021</u>	<u>2020</u>
Provision for uncollectible accounts	\$ 4,622,154	\$ 4,316,030
Allowance for Medicare/Medicaid adjustment	2,881,931	2,533,745
Allowance for DME adjustment	124,150	114,102
Allowance for other adjustments	297,025	122,730
	<u>\$ 7,925,260</u>	<u>\$ 7,086,607</u>

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 5: Capital Assets

	Balance September 30, 2020	Additions and Transfers	Retirements and Transfers	Balance September 30 2021
Land	\$ 43,355	-	-	\$ 43,355
Land improvements	995,965	-	-	995,965
Buildings and improvements	14,991,426	63,200	-	15,054,626
Fixed equipment	2,141,231	-	-	2,141,231
Major movable equipment				
Under capital lease	777,655	114,543	-	892,198
Other	15,370,391	346,504	(218,959)	15,497,936
Automobiles	630,808	-	-	630,808
	<u>34,950,831</u>	<u>524,247</u>	<u>(218,959)</u>	<u>35,256,119</u>
Total Historical Cost				
Less: Accumulated Depreciation and Amortization for:				
Land improvements	(571,622)	(62,713)	-	(634,335)
Buildings and improvements	(6,727,040)	(489,906)	-	(7,216,946)
Fixed equipment	(1,913,139)	(27,379)	-	(1,940,518)
Major movable equipment				
Under capital lease	(357,891)	(153,838)	-	(511,729)
Other	(14,225,087)	(494,299)	127,006	(14,592,380)
Automobiles	(587,998)	(28,960)	-	(616,958)
	<u>(24,382,777)</u>	<u>(1,257,095)</u>	<u>127,006</u>	<u>(25,512,866)</u>
Total Accumulated Depreciation and Amortization				
Construction in Progress	<u>302,055</u>	<u>110,007</u>	<u>(123,963)</u>	<u>288,099</u>
Capital Assets, Net	<u>\$ 10,870,109</u>	<u>(622,841)</u>	<u>(215,916)</u>	<u>\$ 10,031,352</u>

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 5: Capital Assets (Continued)

	Balance September 30, 2019	Additions and Transfers	Retirements and Transfers	Balance September 30 2020
Land	\$ 43,355	-	-	\$ 43,355
Land improvements	983,965	12,000	-	995,965
Buildings and improvements	14,959,989	-	31,437	14,991,426
Fixed equipment	2,141,231	-	-	2,141,231
Major movable equipment				
Under capital lease	777,655	-	-	777,655
Other	14,591,438	400,203	378,750	15,370,391
Automobiles	672,219	-	(41,411)	630,808
	<u>34,169,852</u>	<u>412,203</u>	<u>368,776</u>	<u>34,950,831</u>
 Less: Accumulated Depreciation and Amortization for:				
Land improvements	(507,522)	(64,100)	-	(571,622)
Buildings and improvements	(6,122,014)	(605,026)	-	(6,727,040)
Fixed equipment	(1,877,656)	(35,483)	-	(1,913,139)
Major movable equipment				
Under capital lease	(216,325)	(141,566)	-	(357,891)
Other	(13,583,063)	(642,024)	-	(14,225,087)
Automobiles	(585,658)	(43,751)	41,411	(587,998)
	<u>(22,892,238)</u>	<u>(1,531,950)</u>	<u>41,411</u>	<u>(24,382,777)</u>
 Construction in Progress	<u>500,633</u>	<u>211,609</u>	<u>(410,187)</u>	<u>302,055</u>
 Capital Assets, Net	<u>\$ 11,778,247</u>	<u>(908,138)</u>	<u>-</u>	<u>\$ 10,870,109</u>

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 6: Long-Term Debt

A schedule of changes in the facility's long-term debt for September 30, 2021, and 2020, follows:

	Balance 09/30/2020	Additions	Reductions	Balance 09/30/2021	Amounts Due Within One Year
Notes payable	\$ 6,677,550	-	(4,387,198)	\$ 2,290,352	\$ 90,068
Bonds payable	1,715,000	1,788,593	(1,897,622)	1,605,971	160,000
Capital lease obligations	833,194	84,543	(247,398)	670,339	278,145
Total Long-Term Debt	<u>\$ 9,225,744</u>	<u>1,873,136</u>	<u>(6,532,218)</u>	<u>\$ 4,566,662</u>	<u>\$ 528,213</u>

	Balance 09/30/2019	Additions	Reductions	Balance 09/30/2020	Amounts Due Within One Year
Notes payable	\$ 2,460,444	4,300,000	(82,894)	\$ 6,677,550	\$ 2,216,975
Bonds payable	1,860,000	-	(145,000)	1,715,000	155,000
Capital lease obligations	1,039,426	-	(206,232)	833,194	233,403
Total Long-Term Debt	<u>\$ 5,359,870</u>	<u>4,300,000</u>	<u>(434,126)</u>	<u>\$ 9,225,744</u>	<u>\$ 2,605,378</u>

A detail of long-term debt, including capital lease obligations, at September 30, 2021, and 2020, follows:

Notes Payable

	2021	2020
USDA Rural Development Loan with an interest rate of 4.197%. Due in monthly installments of \$15,005 for 28 years with final installment due January 15, 2040. Secured by Wellness Center building.	\$ 2,290,352	\$ 2,377,550
Small Business Administration Paycheck Protection Program Loan with an interest rate of 1.000%. Due in monthly installments of \$241,986 for 18 months with final installment due June 10, 2022. The facility received forgiveness of their PPP Loan on on June 1, 2021. See Note 15 for additional information.	-	4,300,000
Total Notes Payable	<u>\$ 2,290,352</u>	<u>\$ 6,677,550</u>

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 6: Long-Term Debt (Continued)

Bonds Payable	2021	2020
Series 2009 Revenue Bond with varying interest rates, interest due semiannually and principal due in varying annual installments with final installment due in the year 2029. Secured by facility revenue.	\$ -	\$ 1,715,000
Series 2009 Revenue Bond with varying interest rates, interest due semiannually and principal due in varying annual installments with final installment due in the year 2029. Secured by facility revenue.	1,605,971	-
Total Bonds Payable	\$ 1,605,971	\$ 1,715,000
Capital Lease Obligations	2021	2020
Cisco Capital with an interest rate of 0.099% due in monthly installments of \$5,276 for 60 months with final installment due September 1, 2023. Collateralized by equipment and software.	\$ 126,489	\$ 189,640
Cisco Capital with no interest due in monthly installments of \$420 for 60 months with final installment due September 1, 2023. Collateralized by equipment and software.	10,080	15,120
Cisco Capital with no interest due in monthly installments of \$315 for 60 months with final installment due November 1, 2023. Collateralized by equipment and software.	8,190	11,970
Cisco Capital with no interest due in monthly installments of \$315 for 60 months with final installment due December 1, 2023. Collateralized by equipment and software.	8,505	12,285
Phillips Healthcare with an interest rate of 21.711% due in monthly installments of \$6,763 for 12 months and \$11,801 for the following 60 months with final installment due January 1, 2024. Collateralized by a CT Scanner.	250,316	333,932
Fukuda Denshi with an interest rate of 5.535% due in monthly installments of \$1,695 for 60 months with final installment due February 28, 2023. Collateralized by a Telemetry System.	27,653	45,910

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 6: Long-Term Debt (Continued)

Capital Lease Obligations (Continued)

	2021	2020
Hologic Capital with an interest rate of 19.843% due in monthly installments of \$0 for 3 months, \$5,650 for the following 9 months, and \$8,494 for the remaining 48 months with final installment due August 15, 2023. Collateralized by a Mammography System.	161,407	224,337
First American with an interest rate of 4.804% due in monthly installments of \$1,905 for 1 month, \$1,971 for the remaining 47 months with final installment due May 31, 2025. Collateralized by a FlexENT Cart and Accessories.	77,699	-
Total Capital Lease Obligations	\$ 670,339	\$ 833,194

Scheduled principal and interest repayments on long-term debt and payments on capital lease obligations are as follows:

Year Ended September 30,	Bond Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2022	\$ 160,000	\$ 45,150	\$ 90,068	\$ 89,992
2023	170,000	40,350	93,738	86,322
2024	180,000	35,250	97,325	82,735
2025	185,000	29,850	101,522	78,538
2026	195,000	24,300	105,658	74,402
Thereafter	715,971	37,200	1,802,041	448,709
Total	\$ 1,605,971	\$ 212,100	\$ 2,290,352	\$ 860,698

Year Ended September 30,	Capital Lease Obligations	
	Principal	Interest
2022	\$ 278,145	\$ 72,063
2023	308,193	35,478
2024	68,516	3,410
2025	15,485	280
Total	\$ 670,339	\$ 111,231

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 7: Net Patient Service Revenue

The facility has agreements with third-party payors that provide for payments to the facility at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

a. Medicare – Inpatient acute care services, outpatient services, nonacute inpatient services, and rural health clinic services rendered to Medicare program beneficiaries are paid based on a cost reimbursement methodology. The facility is paid for inpatient senior care psychiatric services based on prospectively determined rates. Home health agency services are paid at prospectively determined rates based on service provided. The facility is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the facility and audits thereof by the Medicare fiscal intermediary. The facility's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2018.

b. Medicaid – Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The facility is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the facility and audits thereof by the Medicaid fiscal intermediary.

c. Medicaid Mississippi Hospital Access Payment – The facility received Medicaid Mississippi hospital access payments of \$775,689 and \$889,644, for the years ended September 30, 2021, and 2020, respectively. The Medicaid Mississippi hospital access program is a program whereby the facility qualifies for Mississippi hospital access program funds in addition to regular funds. The Mississippi Division of Medicaid administers the program through the MississippiCAN coordinated care organizations, and the continuation of the program rests with the federal government.

Note 8: Medical Benefit Plan

The facility provides health insurance coverage to its employees through a self-funded medical benefit plan that covers substantially all of its employees and certain dependents of the employees. The total medical benefit expense for the self-funded medical benefit plan for the years ended September 30, 2021, and 2020, amounted to \$2,138,307, and \$1,495,206, respectively. The facility's policy is to fund the estimated medical benefit claims that will be filed against the plan less the contributions made by employees covered by the plan. In addition, an allowance representing the write-off of charges applicable to in-house claims of the employees and their dependents for the year ended September 30, 2021, and 2020, was provided in the amount of \$2,443,158, and \$1,717,021, respectively.

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 9: Lease Commitments

The facility leases equipment under operating leases expiring at various dates. Future minimum pending noncancelable lease payments are as follows:

<u>Year ended September 30,</u>	
2022	\$ 36,348
2023	36,348
2024	36,116
2024	36,000
2026	36,000

Rental expense under all operating leases for the years ended September 30, 2021, and 2020, was, \$414,845, and \$444,441, respectively.

Note 10: Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description. The facility contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature.

PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 10: Defined Benefit Pension Plan (Continued)

Benefits provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts, and other public employees whose employers have elected to participate. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. PERS members are required to contribute 9.00% of their annual covered salary, and the facility is required to contribute at an actuarially determined rate. The employer's rate as of September 30, 2021 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The facility's contributions to PERS for the fiscal years ending September 30, 2021, and 2020, were \$4,355,609, and \$4,034,159, respectively, which equaled the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2021, and 2020, the facility reported a liability of \$54,982,041, and \$66,382,615, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and 2020, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of those dates. The facility's proportion of the net pension liability was based on a projection of the facility's long-term share of contributions to the pension plan relative to projected contributions of all participating entities, actuarially determined.

At June 30, 2021, the facility's proportion was 0.371992 percent, and at June 30, 2020, the facility's proportion was 0.342906 percent.

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 10: Defined Benefit Pension Plan (Continued)

For the years ended September 30, 2021, and 2020, the facility recognized pension expense of \$1,865,127, and \$5,016,344, respectively. See the following schedule for a reconciliation of actual pension expense to pension expense per GASB 68 and 71 for the years ended September 30, 2021, and 2020.

	<u>2021</u>	<u>2020</u>
Pension Expense - prior to GASB 68 adjustments	\$ 4,355,608	\$ 4,034,160
Current year pension expense includes deferred outflows and deferred inflows	2,490,903	5,991,951
Contributions made subsequent to the measurement date of June 30, 2020, and 2019	(1,017,088)	(965,137)
Amortize change in proportional share	1,441,198	(522,720)
Reverse contributions from beginning of fiscal year through June 30, 2020, and 2019	(3,338,520)	(3,069,022)
Amortize prior year deferred outflows	1,609,015	2,839,997
Amortize prior year deferred inflows	<u>(3,675,989)</u>	<u>(3,292,885)</u>
Pension Expense - after GASB 68 adjustments	<u>\$ 1,865,127</u>	<u>\$ 5,016,344</u>

At September 30, 2021, and 2020, the facility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources 09/30/2021</u>	<u>Deferred Inflows of Resources 09/30/2021</u>
Differences between expected and actual experience	\$ 849,559	\$ -
Net difference between projected and actual earnings on pension plan investments	3,203,910	(20,018,733)
Changes of assumptions	4,222,231	-
Changes in proportion and differences between Hospital contributions and proportionate share of contributions	4,150,651	(1,646,536)
Hospital contributions subsequent to the measurement date	<u>1,017,088</u>	<u>-</u>
Total	<u>\$ 13,443,439</u>	<u>\$ (21,665,269)</u>

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 10: Defined Benefit Pension Plan (Continued)

	Deferred Outflows of Resources <u>09/30/2020</u>	Deferred Inflows of Resources <u>09/30/2020</u>
Differences between expected and actual experience	\$ 577,860	\$ -
Net difference between projected and actual earnings on pension plan investments	4,366,541	(1,821,042)
Changes of assumptions	382,912	-
Changes in proportion and differences between Hospital contributions and proportionate share of contributions	-	(3,783,145)
Hospital contributions subsequent to the measurement date	<u>965,136</u>	<u>-</u>
Total	<u>\$ 6,292,449</u>	<u>\$ (5,604,187)</u>

\$1,017,088 reported as deferred outflows of resources related to pensions resulting from facility contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended September 30,</u>	
2022	\$ (1,955,595)
2023	(954,228)
2024	(1,394,827)
2025	(4,934,268)
2026	-
Thereafter	-

Actuarial assumptions. The collective total pension liability was determined by an actuarial valuation prepared as of June 30, 2020, by the new actuarial assumptions adopted by the PERS' Board of Trustees subsequent to the June 30, 2020 valuation based on the experience investigation for the four-year period ending June 30, 2020, and by the investment experience for the fiscal year ending June 30, 2021. The following actuarial assumptions are applied to all periods included in the measurement:

Inflation	2.40%	
Salary increases	2.65-17.90%, including inflation	
Investment rate of return	7.55%, net of pension plan investment expense, including inflation	

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scales to account for future improvements in life expectancy.

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 10: Defined Benefit Pension Plan (Continued)

The actuarial assumptions used for the purposes of determining the collective total pension liability were based on the results of an actuarial experience study for the period July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity	27.00 %	4.60 %
International Equity	22.00	4.50
Global Equity	12.00	4.80
Fixed Income	20.00	(0.25)
Real Estate	10.00	3.75
Private Equity	8.00	6.00
Cash	1.00	(1.00)
Total	100.00 %	

Discount Rate. The discount rate used to measure the total pension liability was 7.55%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 10: Defined Benefit Pension Plan (Continued)

The following table presents the net pension liability of the cost-sharing plan, calculated using the discount rate of 7.55%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55%) or 1-percentage-point higher (8.55%) than the current rate:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
Hospital's proportionate share of the net pension liability	\$ 77,867,463	\$ 54,982,041	\$ 36,122,637

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Note 11: Concentrations of Credit Risk

The facility grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at September 30, 2021, and 2020, was as follows:

	2021	2020
Medicare	23%	28%
Medicaid	12%	10%
Patients and other third-party payors	65%	62%
	100%	100%

Note 12: Commitments and Contingencies

a. Attorney General Opinion Dated March 3, 2017 – The Attorney General of the State of Mississippi, in response to a request, has issued an opinion stating that a hospital facility, as a participating employer in the Public Employees' Retirement System of Mississippi, is responsible for paying the employer contributions as established by the Board of Trustees under MS Code Section 25-11-123. Additionally, the facility is responsible for causing the employee contributions to be deducted and remitted to PERS on behalf of the employee. The facility has no obligation above or beyond the proper payment of these contributions. The Attorney General's opinion further states that the Office of the Attorney General does not address accounting principles or an entity's compliance or noncompliance with accounting principles. *Governmental Accounting Standards Board Statement No. 68* requires that the facility record a liability for its proportionate share of the plan's net pension liability.

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 12: Commitments and Contingencies (Continued)

b. Litigation – The facility is a defendant in lawsuits arising from normal business activities. At this time, management and legal representatives are expressing no opinion on the ultimate outcome of the litigation. However, state statutes limit the facility's liability exposure to the amount of insurance coverage.

c. Pending Claims – The facility has potential pending claims not covered by its existing insurance coverage. At this time, management and legal representatives are uncertain about any potential outcome.

d. Impact of COVID-19 Pandemic – Since the onset of the COVID-19 pandemic in March 2020, the facility has maintained relative operating normalcy. The extent of the impact of the pandemic on the facility's operational and financial performance depends on the duration and spread of the outbreak and the related impact on its patients, employees, suppliers, and costs related to testing for the virus. At this point, the extent to which the pandemic may impact the facility's financial condition or results of operations remains uncertain.

Note 13: Effect of Deferred Amounts on Net Deficit

The unrestricted net deficit amount of \$33,714,129 at September 30, 2021, and \$42,526,879 at September 30, 2020, include the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. The \$13,443,438 balance of the deferred outflow of resources at September 30, 2021, and the \$6,292,449 balance at September 30, 2020, will be recognized as expenses and increase unrestricted net deficit over the next 3 years.

The unrestricted net deficit amount of \$33,714,129 at September 30, 2021, and \$42,526,879 at September 30, 2020, include the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The \$21,665,269 balance of the deferred inflow of resources at September 30, 2021, and the \$5,604,187 balance at September 30, 2020, will be recognized as revenues and decrease unrestricted net deficit over the next 4 years.

Note 14: Provider Relief Funds

The facility received Provider Relief Funds of \$181,314, and \$6,963,271, during the years ended September 30, 2021, and September 30, 2020. These funds were disbursed by the Health Resources and Services Administration (HRSA) in accordance with the CARES Act of 2020. The CARES Act appropriated the Provider Relief Funds to reimburse eligible healthcare providers for healthcare related expenses or lost revenues attributable to COVID-19. The facility's acceptance of these funds requires compliance with reporting requirements as specified by the Secretary of Health and Human Services. The reporting requirements include submitting healthcare related expenses attributable to COVID-19 and lost revenue calculations to HRSA for review and eligibility approval.

NORTH SUNFLOWER MEDICAL CENTER
Notes to Financial Statements

Note 14: Provider Relief Funds(Continued)

North Sunflower Medical Center completed their Provide Relief Funds portal reporting for reporting period one in November 2021. The facility reported total healthcare related expenses attributable to COVID-19 not reimbursed by other sources of \$6,510,341 and reported no lost revenues for reporting period one. The facility reported that all Provider Relief Funds received for reporting period one were used and none would be returned.

The *Addendum to the 2020 Compliance Supplement* released by the Office of Management and Budget provides guidance on the reporting of Provider Relief Funds subject to the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Provider Relief Funds expended as of September 30, 2020 were not reported on a Schedule of Expenditures of Federal Awards for the 2020 fiscal year, nor was the compliance testing required under the *Addendum to the 2020 Compliance Supplement* be performed. However, the facility was subject to audit requirements of the Uniform Guidance in the 2021 fiscal year. The compliance testing and the reporting of the Provider Relief Funds expended for the years ended September 30, 2021 and 2020 are reported on the Schedule of Expenditures of Federal Awards for the year ended September 30, 2021.

Note 15: Forgiveness of Debt

North Sunflower Medical Center requested forgiveness of the Paycheck Protection Program (PPP) loan initially entered into on June 1, 2020 in connection with the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The facility submitted documentation establishing compliance with the forgiveness criteria set forth by the CARES Act and the Small Business Administration (SBA). On June 10, 2021, the SBA approved the forgiveness of the entire principal amount of \$4,300,000 and the accrued interest of \$42,882 to be recorded as nonoperating revenue for the year ended September 30, 2021.

Note 16: Subsequent Events

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of North Sunflower Medical Center evaluated the activity of the facility through January 19, 2023 (the date the financial statements were available to be issued), and determined that there were no subsequent events requiring disclosures in the notes to financial statements.

NORTH SUNFLOWER MEDICAL CENTER
Required Supplementary Information
Schedule of the Hospital's Proportionate Share of the Net Pension Liability
PERS
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2014
Hospital's proportion of net pension liability	\$ 54,982,041	\$ 66,382,615	\$ 62,202,930	\$ 62,632,617	\$ 65,111,008	\$ 59,670,207	\$ 47,909,375
Hospital's proportionate share of the net pension liability	0.371992%	0.342906%	0.353587%	0.376557%	0.391683%	0.334053%	0.309932%
Hospital's covered-employee payroll	\$ 25,077,903	\$ 23,184,822	\$ 23,368,527	\$ 23,702,108	\$ 24,728,971	\$ 22,096,000	\$ 19,715,079
Hospital's proportionate share of the net pension liability as a percentage of its covered-employee payroll	219.24%	286.32%	266.18%	264.25%	263.30%	270.05%	243.01%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	61.59%	61.59%	62.54%	61.49%	57.47%	61.70%

*The amounts presented were determined as of the measurement date of June 30 of the fiscal year presented. The schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented for the fiscal year ended September 30, 2014, and, until a full 10-year trend is compiled, the hospital has only presented information for the years in which information is available.

The notes to required supplementary information are an integral part of this schedule.

NORTH SUNFLOWER MEDICAL CENTER
Required Supplementary Information
Schedule of Hospital Contributions
PERS
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2014
Contractually required contribution	\$ 4,355,608	\$ 4,034,159	\$ 3,680,543	\$ 3,733,087	\$ 3,894,813	\$ 3,480,120	\$ 3,105,125
Contribution in relation to the contractually required contribution	(4,355,608)	(4,034,159)	(3,680,543)	(3,733,087)	(3,894,813)	(3,480,120)	(3,105,125)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Hospital's covered-employee payroll	\$ 25,077,903	\$ 23,184,822	\$ 23,368,527	\$ 23,702,108	\$ 24,728,971	\$ 22,096,000	\$ 19,715,079
Contributions as a percentage of covered-employee payroll	17.37%	17.40%	**17.40%	15.75%	15.75%	15.75%	15.75%

*The schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented for the fiscal year ended September 30, 2014, and, until a full 10-year trend is compiled, the hospital has only presented information for the years in which information is available.

**Effective July 1, 2019, the employer contribution rate increased from 15.75% of covered payroll to 17.40%. The facility paid all required contributions at the legal rate.

The notes to required supplementary information are an integral part of this schedule.

NORTH SUNFLOWER MEDICAL CENTER
Notes to Required Supplementary Information

Pension Schedules

a. Changes in funding terms.

- Effective July 1, 2019, the required employer contribution rate increased from 15.75% of covered payroll to 17.40% of covered payroll.

b. Changes of assumptions.

- 2021
 - The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
 - For females, 84% of female rates up to age 72, 100% for ages above 76.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
 - The expectation of disable mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:
 - For males, 134% of male rates at all ages.
 - For females, 121% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
 - The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments.
 - For males, 97% of males rates at all ages.
 - For females, 110% of females rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
 - The price inflation assumption was reduced from 2.75% to 2.40%.
 - The wage inflation assumption was reduced from 3.00% to 2.65%.
 - The investment rate of return assumption was changed from 7.75% to 7.55%.
 - The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
 - Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement dates were also adjusted to reflect actual experience more closely.
 - The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
 - The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

NORTH SUNFLOWER MEDICAL CENTER
Notes to Required Supplementary Information

Pension Schedules (Continued)

- 2019
 - The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
 - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
 - The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
 - For males, 137% of male rates at all ages.
 - For females, 115% of female rates at all ages.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
 - The price inflation assumption was reduced from 3.00% to 2.75%.
 - The wage inflation assumption was reduced from 3.25% to 3.00%.
 - Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
 - The percentage of active member disabilities assumed to be in line of duty was increased from 7% to 9%.
- 2017
 - The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.
 - The wage inflation assumptions was reduced from 3.75% to 3.25%.
 - Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
 - The percentage of active member disabilities assumed to be in the line of duty was increased from 6.00% to 7.00%.
- 2016
 - The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

NORTH SUNFLOWER MEDICAL CENTER
Notes to Required Supplementary Information

Pension Schedules (Continued)

- 2015
 - The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
 - The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
 - Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
 - Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
 - The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

c. Changes in benefit provisions.

- 2016
 - Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2019 valuation for the June 30, 2021 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	28.8 years
Asset valuation method	5-year smoothed market
Price Inflation	2.75 percent
Salary increase	3.00 percent to 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

NORTH SUNFLOWER MEDICAL CENTER
Detailed Schedules of Operating Revenues
Years Ended September 30, 2021, and 2020

	2021	2020
Inpatient:		
Nursing Services:		
Routine care	\$ 16,698,663	\$ 16,479,900
Other Nursing Services:		
Operating and recovery rooms	312,660	380,625
Observation room	20,217	15,284
Central service and supply	178,986	210,751
Emergency service	133,960	102,308
Total Nursing Services Revenue	17,344,486	17,188,868
Other Professional Services:		
Respiratory therapy	1,327,632	1,121,378
Laboratory	2,460,112	1,876,208
Blood bank	100,441	61,856
Electrocardiology	62,575	65,378
Radiology	277,862	261,266
CT scan/Nuclear medicine	420,192	433,450
Ultrasound/MRI	243,657	193,608
Pharmacy	3,796,914	2,939,034
IV therapy	407,579	374,721
Anesthesia	42,675	45,225
Physical therapy	2,277,988	2,337,182
Speech therapy	678,180	613,673
Occupational therapy	1,539,003	1,482,583
Psychiatric therapy	50,856	143,684
Hospital based physician	552,494	582,237
Total Other Professional Services Revenue	14,238,160	12,531,483
Total Inpatient Revenue	\$ 31,582,646	\$ 29,720,351

NORTH SUNFLOWER MEDICAL CENTER
Detailed Schedules of Operating Revenues
Years Ended September 30, 2021, and 2020

	2021	2020
Outpatient:		
Other Nursing Services:		
Operating and recovery rooms	\$ 7,297,695	\$ 5,315,458
Observation room	401,645	362,808
Central service and supply	27,701	28,894
Emergency service	2,297,929	2,053,415
Hospice	1,941,921	2,008,122
Total Nursing Services Revenue	11,966,891	9,768,697
Other Professional Services:		
Respiratory therapy	88,691	84,129
Laboratory	14,565,365	11,509,308
Blood	171,587	92,877
Electrocardiology	458,447	389,303
Radiology	2,374,953	2,043,113
Cardiology	356,427	318,266
Pulmonology	52,642	-
CT scan/Nuclear Medicine	4,899,756	4,651,393
Ultrasound/MRI	2,858,669	2,830,726
Pharmacy	8,219,078	6,263,797
IV therapy	287,274	224,115
Anesthesia	1,224,425	856,610
Physical therapy	2,594,723	2,317,126
Speech therapy	327,546	316,915
Occupational therapy	903,386	781,946
Psychiatric therapy	2,948,712	2,961,620
Wound care	557,657	468,787
DME	2,168,302	2,009,486
Diagnostic Center	993,416	892,375
Haire Drug Center	3,943,190	804,381
NSMC Pharmacy	7,151,727	6,984,096
Simply Sunflower	189,860	150,409
Wellness center	77,131	62,942
Infusion therapy	543,553	255,320
Sleep lab	2,030,410	1,938,930
RHC Screen Team	750	7,573
Clinic	5,429,273	4,292,867
Total Other Professional Services Revenue	65,416,950	53,508,410
 Total Outpatient Revenue	 \$ 77,383,841	 \$ 63,277,107

NORTH SUNFLOWER MEDICAL CENTER
Detailed Schedules of Operating Revenues
Years Ended September 30, 2021, and 2020

	2021	2020
Total Patient Service Revenue	\$ 108,966,487	\$ 92,997,458
Deductions from Patient Service Revenue:		
Contractual Adjustments and Allowances:		
Medicare	12,680,800	9,199,986
Medicaid	832,455	690,641
Medicaid Mississippi hospital access payments and Medicaid upper payment limit payments	(775,689)	(889,644)
Blue Cross	5,977,360	5,023,599
Administrative adjustments and other	18,010,465	14,690,282
Total Deductions from Patient Service Revenue	36,725,391	28,714,864
Provision for Uncollectible Accounts	3,997,816	3,987,605
Net Patient Service Revenue	68,243,280	60,294,989
Other Revenue:		
Medical records transcripts	19,973	11,558
Employee and other meals	23,368	28,837
ZPIC settlement	-	526,673
Miscellaneous revenue	2,161,828	2,334,115
Total Other Revenue	2,205,169	2,901,183
Total Revenue	\$ 70,448,449	\$ 63,196,172

NORTH SUNFLOWER MEDICAL CENTER
Detailed Schedules of Operating Expenses
Years Ended September 30, 2021, and 2020

	2021			2020		
	Salaries and Benefits	Supplies and Drugs	Other	Salaries and Benefits	Supplies and Drugs	Other
Nursing Services:						
Routine services	\$ 2,268,438	116,228	423,734	\$ 2,204,579	137,258	584,667
Senior care	1,483,019	113,932	376,102	1,113,451	107,058	518,706
Operating and recovery rooms	1,928,588	685,999	678,077	1,770,646	531,753	784,931
Emergency room	602,157	82,041	293,933	630,481	64,133	282,116
Skilled nursing facility	1,604,959	695,555	1,422,069	1,805,145	674,407	1,282,333
Hospice	873,796	244,490	507,489	862,401	199,567	561,248
Swingbed	2,339,019	95,923	870,854	2,153,401	84,170	570,063
Nursing administration	286,447	1,017	62,416	248,334	2,867	168,235
Other Professional Services:						
Laboratory	1,083,696	633,411	476,147	1,068,495	925,861	388,581
Radiology	689,269	47,541	1,186,231	564,925	47,400	1,134,410
Mammography	347	-	-	199	-	-
Cardiology	-	4,025	427,071	-	553	416,113
Pulmonology	-	3,534	60,634	-	-	-
Respiratory	272,568	44,133	23,485	262,170	24,307	9,490
Therapy	1,517,928	10,402	670,962	1,393,081	8,024	615,513
Cardiac Rehab	-	78	29,175	-	480	32,877
Central supply	5,610	-	-	34,044	-	-
Pharmacy	612,749	4,019,758	16,036	594,071	2,578,184	25,978
Nuclear Medicine	114,390	107,469	52,111	115,746	94,113	61,707
Infusion therapy	160,265	23,188	394	150,638	14,849	7,249
Sleep lab	336,797	15,379	197,330	196,542	31,725	228,350
Wound Care	90,837	733	110,725	99,714	664	101,086
Social service	39,950	-	74,636	38,603	-	74,093
Health information services	2,173,233	22,434	930,672	2,085,727	25,398	1,104,358
Medical records	215,527	15,383	108,016	203,890	10,330	91,649
DME	763,448	814,672	237,039	721,075	756,013	222,129
Diagnostic Center	157,476	68,328	197,402	136,463	64,488	197,658
IOP Indianola	-	-	3,870	-	-	2,542
TRINA Health	-	-	-	-	-	89
NSMC Pharmacy	943,828	4,123,792	1,951,318	942,189	4,181,757	2,143,838
Simply Sunflower	60,320	103,557	27,486	50,624	79,482	26,075
Wellness center	120,793	6,053	22,920	124,768	4,169	26,088
Clinic	3,641,769	363,424	791,989	3,371,430	353,128	899,461
Haire Drug Center	318,036	2,962,115	264,460	74,110	436,984	93,611
General Services:						
Dietary	531,001	187,975	134,925	542,700	155,219	120,380
Maintenance	242,459	2,482	555,001	240,351	3,343	495,415
Housekeeping	956,112	32,847	186,924	943,259	7,293	216,259
Laundry	76,071	41,201	77,326	60,755	45,177	76,042
Inservice/Infection control	91,600	1,590,925	2,991	71,266	1,416,142	50
Administrative and Fiscal Services:						
Administrative	2,007,578	27,408	1,948,225	2,179,769	45,244	2,077,021
Fiscal	102,797	-	49,241	103,287	-	51,157
Information technology	476,409	3,560	903,826	475,289	3,549	772,473
Employee benefits	9,623,491	-	-	4,515,770	-	-
Pension expense	(2,490,481)	-	-	5,016,344	-	-
Total Operating Expenses	\$ 36,322,296	17,310,992	16,353,242	\$ 37,165,732	13,115,089	16,464,041

NORTH SUNFLOWER MEDICAL CENTER
Schedule of Surety Bonds for Officials and Employees
September 30, 2021

Name	Position	Company	Amount of Bond
Billy Marlow	Executive Director	Nationwide Mutual Insurance Company	\$ 10,000
Daniel Ceja	CEO	Nationwide Mutual Insurance Company	\$ 10,000
Jennifer Baughman	Accounting Director	Nationwide Mutual Insurance Company	\$ 10,000
Sam Miller	COO	Nationwide Mutual Insurance Company	\$ 10,000
Bobbie B. Allen	Trustee	Nationwide Mutual Insurance Company	\$ 10,000
H.T. Miller, III	Trustee	Nationwide Mutual Insurance Company	\$ 10,000
Billy Joe Waldrup	Trustee	Nationwide Mutual Insurance Company	\$ 10,000
Willie Mays Burton	Trustee	Nationwide Mutual Insurance Company	\$ 10,000
Phil McNeer	Trustee	Nationwide Mutual Insurance Company	\$ 10,000

NORTH SUNFLOWER MEDICAL CENTER
Schedule of Expenditures of Federal Awards
September 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Number	Pass-Through Grantor's Number	Passed Through to Sub-Recipients	Federal Expenditures
Department of Health and Human Services:				
Direct Program:				
COVID-19 Provider Relief Funds	93.498	N/A	\$ -	\$ 6,510,341
Passed Through State of Mississippi:				
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	NU58DP006338-04	-	40,000
Total Department of Health and Human Services			-	6,550,341
Total Federal Awards			\$ -	\$ 6,550,341

NORTH SUNFLOWER MEDICAL CENTER
Notes to Schedule of Expenditures of Federal Awards

Note 1: Basis of Presentation

The Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of North Sunflower Medical Center under programs of the federal government. Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations (93.898) includes federal expenditures for the year ended September 30, 2021. Provider Relief Funds (93.498) includes federal awards received for the period of April 10, 2020 through June 30, 2020 with a deadline for use of June 30, 2021 in accordance with HRSA guidelines. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Because the Schedule presents only a selected portion of the operations of North Sunflower Medical Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of North Sunflower Medical Center.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Costs

North Sunflower Medical Center has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Other Information

Expenditures reported on the Schedule as COVID-19 – Provider Relief Funds are based upon the Provider Relief Fund reporting portal submission one (1) which covers Provider Relief Fund payments received by North Sunflower Medical Center from April 10, 2020 through June 30, 2020.



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**Independent Auditors' 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***

The Board of Trustees
North Sunflower Medical Center
Ruleville, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of North Sunflower Medical Center, a component unit of Sunflower, Mississippi, as of and for the year ended September 30, 2021, and the related notes to financial statements, which collectively comprise North Sunflower Medical Center's basic financial statements as listed in the contents, and have issued our report thereon dated January 19, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Sunflower Medical Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Sunflower Medical Center's internal control. Accordingly, we do not express an opinion on the effectiveness of North Sunflower Medical Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Sunflower Medical Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

North Sunflower Medical Center's Response to Findings

North Sunflower Medical Center's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. North Sunflower Medical Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eupora, Mississippi
January 19, 2023

Watkins Ward and Stafford, PLLC



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**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Trustees
North Sunflower Medical Center
Ruleville, Mississippi

Report on Compliance for Each Major Federal Program

We have audited North Sunflower Medical Center's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of North Sunflower Medical Center's major federal programs for the year ended September 30, 2021. North Sunflower Medical Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of North Sunflower Medical Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about North Sunflower Medical Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of North Sunflower Medical Center's compliance.

Opinion on Each Major Federal Program

In our opinion, North Sunflower Medical Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of North Sunflower Medical Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered North Sunflower Medical Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of North Sunflower Medical Center's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eupora, Mississippi
January 19, 2023

Watkins Ward and Stafford, P.C.



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Independent Auditors' Report on Compliance with State Laws and Regulations

The Board of Trustees
North Sunflower Medical Center
Ruleville, Mississippi

We have audited the financial statements of North Sunflower Medical Center, a component unit of Sunflower County, Mississippi, as of and for the years ended September 30, 2021, and 2020, and have issued our report thereon dated January 19, 2023.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with state laws applicable to North Sunflower Medical Center is the responsibility of the facility's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of North Sunflower Medical Center's compliance with certain provisions of state laws and regulations. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, North Sunflower Medical Center complied with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that North Sunflower Medical Center had not complied with those provisions.

This report is intended solely for the information and use of the Board of Trustees, management, others within the organization, and the Board of Supervisors of Sunflower County, Mississippi and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Eupora, Mississippi
January 19, 2023

Watkins Ward and Stafford, PLLC

NORTH SUNFLOWER MEDICAL CENTER
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2021

Finding 2020-001

Condition: This finding was a significant deficiency stating that the facility has a bank account under their federal identification number that is being used by Sunflower Dental Clinic which was sold on March 1, 2021. The account contains funds that do not belong to North Sunflower Medical Center.

Recommendation: The auditors recommended that management should ensure that Sunflower Dental Clinic closes the account and opens a new account under their federal identification number.

Current Status: This finding is still relevant to the fiscal year ending September 30, 2021 as the issue had not been corrected prior to the end of the fiscal year.

Finding 2020-002

Condition: This finding was a significant deficiency stating that numerous entries were made during the audit to correct bookkeeping errors or to make accruals and other adjustments that should have been made by the accounting department.

Recommendation: The auditors recommended that management should review and evaluate transactions and proper monthly closing procedures, including posting of identified adjustments, to expedite the year-end and monthly closing, and provide them with accurate financial information through-out the year, with which informed decision can be made.

Current Status: This finding is still relevant to the fiscal year ending September 30, 2021 as the issue had not been corrected prior to the end of the fiscal year.

Finding 2020-003

Condition: This finding was a significant deficiency stating multiple instances of incorrectly charged sales tax were noted.

Recommendation: The auditors recommended that individuals with authority to make credit card purchases should have documentation to prove the facility's tax-exempt status at the time of purchase and should verify no sales tax is charged.

Current Status: The recommendation as adopted in August 2021. No similar findings were noted in the 2021 audit.

NORTH SUNFLOWER MEDICAL CENTER
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2021

Section 1: Summary of Auditors' Results

Financial Statements:

- | | | |
|----|-----------------------------------------------------------|------------|
| 1. | Type of auditor's report issued: | Unmodified |
| 2. | Internal control over financial reporting: | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | Yes |
| 3. | Noncompliance material to the financial statements noted: | No |

Federal Awards:

- | | | |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 4. | Internal control over major federal programs: | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | None reported |
| 5. | Type of auditors' report issued on compliance for major federal programs: | Unmodified |
| 6. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 7. | Auditee qualified as low-risk pursuant to Uniform Guidance | No |
| 8. | Identification of major federal programs:
Department of Housing and Human Services:
COVID-19 – Provider Relief Funds – Federal Assistance No. 93.498 | |
| 9. | Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 10. | Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? | No |

NORTH SUNFLOWER MEDICAL CENTER
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

Section 2: Financial Statement Findings

2021-001 Significant Deficiency

Condition: The facility has a bank account under their federal identification number that is being used by Sunflower Dental Clinic which was sold on March 1, 2018. The account contains funds that do not belong to North Sunflower Medical Center.

Criteria: An effective system of internal control over the facility's bank accounts should ensure that there are no accounts operated by other corporations under the federal identification number of the facility.

Cause: The facility did not properly close their bank account related to the dental clinic before it was sold.

Effect: The Sunflower Dental Clinic used the bank account under the facility's federal identification number and these funds did not belong to the facility.

Recommendation: Management should ensure that Sunflower Dental Clinic closes the account and opens a new account under their federal identification number.

Views of Responsible Officials: Administration has stated that the account will be removed from their federal identification number.

2021-002 Significant Deficiency

Condition: Numerous entries were made during the audit to correct bookkeeping errors or to make accruals and other adjustments that should have been made by the accounting department.

Criteria: An effective system of internal control over the financial record of the facility should include monthly review and reconciliation of certain accounting and financial information.

Cause: Management did not effectively review year-end and monthly closing procedures to ensure that financial information was accurate.

Effect: The auditors proposed numerous audit adjustments to correct errors that would have been corrected had proper year-end and monthly closing procedures been monitored effectively.

Recommendation: Management should review and evaluate transactions and proper monthly closing procedures, including posting of identified adjustments, to expedite the year-end and monthly closing, and provide them with accurate financial information throughout the year, with which informed decisions can be made.

NORTH SUNFLOWER MEDICAL CENTER
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

Section 2: Financial Statement Findings (Continued)

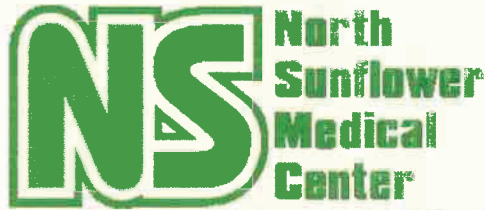
Views of Responsible Officials: The accounting department has implemented procedures to improve the financial information provided to management and is evaluating additional procedures that will improve information provided to management.

Section 3: Federal Award Findings and Questioned Costs:

The results of our tests did not disclose any findings related to federal awards that are required to be reported under the Uniform Guidance.

Section 4: Federal Awards Summary of Prior Audit Findings:

No prior year findings.



Dedicated to Community Health

840 North Oak Avenue • P.O. Box 369 • Telephone 662/756-2711 • Fax 662/756-4114
Ruleville, Mississippi 38771

Management Views and Corrective Action Plan:
Year Ended September 30, 2021

Department of Health and Human Services

North Sunflower Medical Center respectfully submits the following corrective action plan for the year ended September 30, 2021.

Name and address of independent public accounting firm:

Watkins Ward and Stafford, PLLC
53 North Dunn St./P.O. Box 311
Eupora, MS 39744

Audit period:

October 1, 2020 through September 30, 2021

The findings from the year ended September 30, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS-FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

2021-001: The facility has a bank account under their federal identification number that is being used by Sunflower Dental Clinic which was sold on March 1, 2018. The account contains funds that do not belong to North Sunflower Medical Center.

Recommendation: Management should ensure that Sunflower Dental Clinic closes the account and opens a new account under their federal identification number.

Action Taken: We concur with the recommendation, and measures have been to correct the matter.

2021-002: Numerous entries were made during the audit to correct bookkeeping errors or to make accruals and other adjustments that should have been made by the accounting department.

Recommendation: Management should review and evaluate transactions and proper monthly closing procedures, including posting of identified adjustments, to expedite the year-end and monthly closing, and provide them with accurate financial information throughout the year, with which informed decisions can be made.

Action Taken: We concur with the recommendation and have implemented procedures to improve the financial information provided to management and are evaluating additional procedures that will improve information provided to management.

Individuals Responsible for Corrective Action:

- Billy Marlow, Executive Director
- Daniel Ceja, Chief Executive Office

Anticipated Completion Date of Corrective Action:

- September 30, 2022

If the Department of Health and Human Services has questions regarding this plan, please call Daniel Ceja at (662)756-2711.

Sincerely yours,

Name: _____

Title: _____


CED