

Management's Discussion and Analysis, Continued
For the Year Ending March 31, 2022

The Statement of Cash Flows

The final required statement is the statement 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 is cash used for?" and "What was the change in cash balance during the reporting period?"

The Authority's Net Position

The Authority's net position is the difference between its assets and liabilities reported on the balance sheet. The following table summarizes the balance sheets as of March 31, 2022, 2021, and 2020:

Balance Sheet Data

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Current assets	\$ 17,609,761	\$ 18,619,915	\$ 12,127,500
Capital assets, net	12,467,275	12,284,905	11,950,684
Other non-current assets	<u>15,513,211</u>	<u>11,264,176</u>	<u>2,807,989</u>
Total assets	<u>\$ 45,590,247</u>	<u>\$ 42,168,996</u>	<u>\$ 26,886,173</u>
Current liabilities	\$ 18,544,278	\$ 22,631,265	\$ 13,791,632
Medicare advance payments, long-term	-	1,343,007	-
Long-term debt	<u>8,120,000</u>	<u>8,810,000</u>	<u>9,575,061</u>
Total liabilities	<u>26,664,278</u>	<u>32,784,272</u>	<u>23,366,693</u>
Net position:			
Net investments in capital assets	4,175,770	3,434,559	2,884,196
Restricted	2,826,921	2,534,806	1,717,651
Unrestricted	<u>11,923,278</u>	<u>3,415,359</u>	<u>(1,082,367)</u>
Total net position	<u>18,925,969</u>	<u>9,384,724</u>	<u>3,519,480</u>
Total liabilities and net position	<u>\$ 45,590,247</u>	<u>\$ 42,168,996</u>	<u>\$ 26,886,173</u>

Current assets decreased by approximately \$1.0 million primarily due to the required spending of CARES Provider Relief Funds. Other receivables decreased slightly by \$355,448 although net patient receivables and prepaid increased \$280,410; other miscellaneous receivables and inventory decreased \$635,858. The Indigent Care receivable decreased to \$768,864 due to the timing of receiving funds from the Department of Community Health. Current liabilities decreased by \$4.1 million due to the forgiveness of the PPP loan during 2022; and, \$132,855 in insurance proceeds were deferred resulting from the loss of MHM's alarm system due to inclement weather. Accounts payable and accrued liabilities increased slightly by \$244,418 due to the accrual of expenditures for MHM's eICU project to be funded from the eICU State grant.

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The following table summarizes the revenues and expenses for the years ended March 31, 2022, 2021, and 2020:

Statement of Revenue and Expense Data

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenue	\$ 49,197,104	\$ 46,667,067	\$ 45,466,128
Expenses:			
Operating expenses	49,779,821	45,741,786	45,557,153
Depreciation and amortization	<u>1,408,333</u>	<u>1,373,523</u>	<u>1,352,478</u>
Total expenses	<u>51,188,154</u>	<u>47,115,309</u>	<u>46,909,631</u>
Operating loss	(1,991,050)	(448,242)	(1,443,503)
Nonoperating revenues (expenses)	8,386,469	4,865,389	(65,195)
Rural Hospital Tax Credit	2,401,473	802,667	828,830
Capital contributions	<u>744,353</u>	<u>645,430</u>	<u>575,307</u>
Change in net position	9,541,245	5,865,244	(104,561)
Net position at beginning of year	<u>9,384,724</u>	<u>3,519,480</u>	<u>3,624,041</u>
Net position at end of year	<u>\$ 18,925,969</u>	<u>\$ 9,384,724</u>	<u>\$ 3,519,480</u>

Increases in outpatient volumes for the Authority resulted in an increase in gross patient revenue of \$16.5 billion or 13.5% while net patient service revenue increased \$2.8 million or 6.6%. The Authority's provision for bad debt and deductions increased by \$13.7 million due as a result of increased volumes.

Total operating expenses increased approximately \$4.1 million or 8.6%. Salaries and wages increased by \$1.6 million or 7.8%. Physician fees increased by approximately \$512,212 or 26.5% primarily due to increased nightly coverage in ER, professional fees increased by \$822,138 or 18.0% contract labor for Med Surg, Manor, ICU and collections. Medical supply costs also increased by \$457,194 or 9.64% due to higher cost COVID-19 related drugs supplies. Leases increased \$145,684 or 44.34% with the replacement of the aging endoscopy equipment completing the notably increases in expenditures in FY2022.

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