

ST. MARY'S HEALTH WAGON, INC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

ST. MARY'S HEALTH WAGON, INC.
TABLE OF CONTENTS
DECEMBER 31, 2019

<u>CONTENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	3-4
<u>FINANCIAL STATEMENTS</u>	
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF ACTIVITIES	6
STATEMENT OF FUNCTIONAL EXPENSES	7
STATEMENT OF CASH FLOWS	8
<u>NOTES TO FINANCIAL STATEMENTS</u>	
NOTES TO FINANCIAL STATEMENTS	9-17



RONALD C. BOSTIC, CPA
GREGORY D. TUCKER, CPA

P.O. Box 505, Lebanon, VA 24266
(276) 889-3103 Fax: (276) 889-0229
www.bthcpa.com

INDEPENDENT AUDITORS' REPORT

The Honorable Members of the
Board of Directors
St. Mary's Health Wagon, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of St. Mary's Health Wagon, Inc. (a non-profit organization) which comprise the statement of financial position as of December 31, 2019; and the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express opinions 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. 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 auditor's 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 auditor considers 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.

Opinions

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of St. Mary's Health Wagon, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

Bostic, Tucker & Company, PC

September 1, 2020
Lebanon, Virginia



RONALD C. BOSTIC, CPA
GREGORY D. TUCKER, CPA

P.O. Box 505, Lebanon, VA 24266
(276) 889-3103 Fax: (276) 889-0229
www.bthcpa.com

**INDEPENDENT AUDITOR'S 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 Honorable Members of the
Board of Directors
St. Mary's Health Wagon, Inc.

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 St. Mary's Health Wagon, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 1, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal over financial reporting.

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 misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement if 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 over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 non-compliance that are required to be reported under *Government Auditing Standards*.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bostic, Tucker & Company, PC

September 1, 2020

Lebanon, Virginia

**ST. MARY'S HEALTH WAGON, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019**

ASSETS

CURRENT ASSETS

Cash	\$ 2,597,561
Investments	5,507,448
Accounts Receivable	210,474
Due from ACEH	<u>83,095</u>

TOTAL CURRENT ASSETS \$ 8,398,578

NONCURRENT ASSETS

Property and Equipment and Land-Net of Accumulated Depreciation	\$ 876,119
Construction in Progress	213,466
Note Receivable ACEH	<u>100,000</u>

TOTAL NONCURRENT ASSETS 1,189,585

TOTAL ASSETS \$ 9,588,163

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 18,026
Credit Card Payable	5,584
Salaries Payable	37,903
Accrued Payroll Liabilities	1,748
Accrued Compensated Absences	<u>57,794</u>

TOTAL CURRENT LIABILITIES \$ 121,055

NET ASSETS

Without Donor Restrictions	\$ 7,383,137
With Donor Restrictions	<u>2,083,971</u>

TOTAL NET ASSETS \$ 9,467,108

TOTAL LIABILITIES AND NET ASSETS \$ 9,588,163

The accompanying Notes to the Financial Statements are an integral part of this statement

ST. MARY'S HEALTH WAGON, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 Without Donor Restrictions	2019 With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Contributions	\$ 2,522,164	\$ -	\$ 2,522,164
Designated Income	-	325,335	325,335
Donated Stock	16,189	-	16,189
Grants	1,064,560	-	1,064,560
In-Kind Donation - Land	65,000	-	65,000
Investment Income - Net	53,609	-	53,609
Net Assets Transferred to Restrictions	(774,204)	774,204	-
Unrealized Gain (Loss) on Investments	743,610	-	743,610
Program Service Income	61,128	-	61,128
Total Revenue and Support	<u>3,752,056</u>	<u>1,099,539</u>	<u>4,851,595</u>
EXPENSES:			
Program Expenses	2,498,935	-	2,498,935
Daily Clinical	-	246,446	246,446
RAM, Smiddy, Outreach Programs	-	-	-
Support Services			
Management and General	134,280	-	134,280
Fundraising	169,552	-	169,552
	<u>2,802,767</u>	<u>246,446</u>	<u>3,049,213</u>
Change in Net Assets	<u>949,289</u>	<u>853,093</u>	<u>1,802,382</u>
Net Assets - Beginning of Year	<u>6,433,848</u>	<u>1,230,878</u>	<u>7,664,726</u>
Net Assets - End of Year	<u>\$ 7,383,137</u>	<u>\$ 2,083,971</u>	<u>\$ 9,467,108</u>

The accompanying Notes to the Financial Statements are an integral part of this statement

ST. MARY'S HEALTH WAGON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services			Supporting Services			
	Daily Clinical Services	RAM and Smiddy Community Outreach Medical Services	Total Program Expenses	Management and General	Fundraising	Total Support Expenses	Total Expenses
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 5,793	\$ 5,793	\$ 5,793
Accounting and Auditing	65,431	-	65,431	3,444	-	3,444	68,875
Board Meeting	-	-	-	293	-	293	293
Contracted Services	76,574	-	76,574	-	-	-	76,574
Depreciation	17,928	32,395	50,323	2,649	-	2,649	52,972
Employee Benefits	308,083	-	308,083	16,393	3,375	19,768	327,851
Gifts	14,461	-	14,461	761	-	761	15,222
IT Expense	118,375	-	118,375	6,230	-	6,230	124,605
Insurance	52,153	-	52,153	2,745	-	2,745	54,898
Licenses and Fees	7,582	-	7,582	400	-	400	7,982
Maintenance	18,913	-	18,913	995	-	995	19,908
Office Supplies / Postage	107,661	-	107,661	5,666	-	5,666	113,327
Patient Expense	120,477	-	120,477	-	-	-	120,477
Payroll Taxes	101,309	-	101,309	5,840	9,647	15,487	116,796
Program Expense - RAM	-	104,982	104,982	-	-	-	104,982
Program Expense - Smiddy	-	25,120	25,120	-	-	-	25,120
Program and Support Expense	61,631	-	61,631	3,244	-	3,244	64,875
Public Relations	-	-	-	-	28,806	28,806	28,806
Salaries	1,322,529	83,949	1,406,478	80,443	121,931	202,374	1,608,852
Training and Recruitment	7,480	-	7,480	-	-	-	7,480
Travel and Vehicle	59,407	-	59,407	3,127	-	3,127	62,534
Utilities	33,241	-	33,241	1,750	-	1,750	34,991
Rent	5,700	-	5,700	300	-	300	6,000
	<u>\$ 2,498,935</u>	<u>\$ 246,446</u>	<u>\$ 2,745,381</u>	<u>\$ 134,280</u>	<u>\$ 169,552</u>	<u>\$ 303,832</u>	<u>\$ 3,049,213</u>

The accompanying Notes to the Financial Statements are an integral part of this statement

**ST. MARY'S HEALTH WAGON, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$	1,802,382
----------------------	----	-----------

ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Depreciation	\$	52,972
Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities		
Increase in Accounts Receivable		(77,366)
Increase in Accounts Payable		7,378
Increase in Accrued Compensation		3,647
Increase in Accrued Payroll Liabilities		320
Increase in Credit Card Payable		94
Increase in Due from Others		(83,095)
Increase in Notes Receivable		(100,000)
Increase in Salaries Payable		12,950
		(183,100)

NET CASH FLOW PROVIDED (USED) BY OPERATING ACTIVITIES	\$	1,619,282
--	----	-----------

CASH FLOW FROM INVESTING ACTIVITIES

Construction in Progress	\$	(213,466)
Purchase of Fixed Assets		(252,320)

NET CASH FLOW PROVIDED (USED) BY INVESTING ACTIVITIES		(465,786)
--	--	-----------

NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	\$	1,153,496
--	----	-----------

BEGINNING BALANCE - JANUARY 1 **		6,951,513
---	--	-----------

ENDING BALANCE - DECEMBER 31 **	\$	8,105,009
--	----	-----------

**** (Includes Unrestricted and Permanently Restricted Balances)**

The accompanying Notes to the Financial Statements are an integral part of this statement

ST. MARY'S HEALTH WAGON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

St. Mary's Health Wagon, Inc. was formed as non-stock corporation to be tax exempt under 501 (c) (3) of the Internal Revenue Service Code in 2004. All accounts and notes presented in this audit report relate solely to St. Mary's Health Wagon, Inc.

B. Mission

The Health Wagon's mission is to provide compassionate, quality health care to the medically underserved people in the mountains of Appalachia. Our values are inclusiveness, community outreach, collaboration, spirituality, and empowerment. The Organization has two mobile health unit clinics, two stationary clinics and has remained a pioneer in the delivery of health care in the Central Appalachian region for almost four decades. The Organization provides Southwest Virginia and the surrounding region with compassionate, high quality health care services. They provide health care services to the uninsured and underinsured patients with high co-pays and deductibles in Lee, Scott, Dickenson, Buchanan and Russell Counties of Virginia. The Organization serves the most vulnerable in the population that does not have access to health care, creates a medical home for patients and gives access to health care services that they would otherwise do without. The Health Wagon is the only refuge that exists for many.

C. Purpose

The purpose of the corporation is to oversee the delivery of primary health care to indigent people located in the remote locations of Dickenson, Wise, and Buchanan Counties in Southwest Virginia.

D. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles of The United States of America. The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received, and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is disbursed.

E. Basis of Presentation

The financial statements of the Organization have been prepared in the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American

ST. MARY'S HEALTH WAGON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Institute of Certified Public Accountants (AJCPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net Assets without Donor Restrictions : Net Assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets with Donor Restrictions : Net Assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

F. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor restrictions that support that increases those net asset classes.

Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the net assets are placed in service.

G. Contributed Services

During the year, the value of contributed services meeting the requirements for recognition in the financial statements was not overall material to the financial statements and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization in achieving its stated purpose.

H. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

ST. MARY'S HEALTH WAGON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Accounts Receivable

Accounts receivable are recorded at the amount of the company expects to collect on balances outstanding at year-end.

J. Depreciation

Equipment and furniture and other assets are being depreciated over estimated useful lives, which range from five to seven years, using the straight-line method of depreciation Building are being depreciated over estimated useful life, which is 39 years, using the straight-line method of depreciation. Depreciation expense of \$52,972 has been applied for year ended December 31, 2019.

K. Income Taxes

Income taxes are not provided for in the financial statements since the Agency is exempt from federal and state income taxes under Section 501 (c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

L. 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 reported period. Actual results could differ from those estimates.

M. Advertising Cost

Advertising cost is expensed when incurred. Advertising was \$5,793 for the year ended December 31, 2019.

N. Adoption of FASB Accounting Standards Update 2016-14

As of January 1, 2018, the company adopted the provisions of FASB Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, because we believe the standard improves the usefulness and understandability of the Organization's financial statement reporting. Accordingly, the accompanying financial statements and related notes follow the net asset classification, presentation, and disclosure requirements prescribed by the ASU.

ST. MARY'S HEALTH WAGON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which source was restricted has been fulfilled, or both.

P. Investments

Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on these investments, is presented in the statement of activities in accordance with donor restrictions as investment return. Investment return is presented net of investment fees. The average cost method is primarily used to determine the basis for computing realized gains or losses.

Q. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to Non-Profit Organization, Inc.'s ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

**ST. MARY'S HEALTH WAGON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	\$	2,597,561
Grants Receivable		210,474
Investment - Ameriprise		<u>5,507,448</u>
 Total	 \$	 <u><u>8,315,483</u></u>

The *Cash and Cash Equivalents* balance includes donor-restricted funds of \$2,083,971, expected to be spent in the normal course of operations during the fiscal year.

NOTE 3: CASH AND INVESTMENTS

As of December 31, 2019, cash consisted of the following:

<u>Account</u>	<u>Financial Institution</u>	<u>Amount</u>
BB&T Savings	BB&T	\$ 217,547
Checking - Operating	BB&T	296,016
Petty Cash	-	<u>27</u>
TOTAL WITHOUT DONOR RESTRICTIONS		\$ 513,590
 ARC Account	BB&T	 \$ 45,871
Building Campaign	BB&T	1,796,695
RAM Checking - Lee County	BB&T	21,124
RAM Checking - Smyth County	BB&T	571
Moving Mountains Medical	BB&T	72,155
Smiddy Bank Account	BB&T	23,555
Sullivan Endowment	UNVEST	<u>124,000</u>
 TOTAL WITH DONOR RESTRICTIONS		 \$ 2,083,971
 TOTAL CASH		 \$ <u><u>2,597,561</u></u>

ST. MARY'S HEALTH WAGON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3: CASH AND INVESTMENTS (continued)

INVESTMENTS

The Organization has invested in various marketable equity securities. All of the investments are accounted for using fair value accounting in accordance with SFAS Nos. 124 (ASC 958) and 157 (ASC 820). All securities were valued based on quoted market prices on the New York Stock Exchange as of December 31, 2019.

Description	Input Level	Unrealized Gains and (Losses)	Fair Value
Ameriprise Brokerage Account	Level 1	\$ 16,608	\$ 608,274
Strategic Portfolio Service Advantage	Level 1	727,002.00	4,839,123.00
Cash Reserve Certificate	Level 1	-	60,051.00
		<u>\$ 743,610</u>	<u>\$ 5,507,448</u>

NOTE 4: EQUIPMENT

Fixed assets held by the Agency consist of the following:

<u>Description</u>	<u>Amount</u>
Building	\$ 574,468
Furniture & Equipment	23,882
Improvements	40,213
Land	93,000
Mobile Unit	394,763
Office Equipment	135,792
Vehicles	44,658
	<hr/>
TOTAL FIXED ASSETS	\$ 1,306,776
Less: Accumulated Depreciation	(430,657)
	<hr/>
TOTAL FIXED ASSETS NET OF ACCUMULATED DEPRECIATION	<u>\$ 876,119</u>

NOTE 5: CONCENTRATIONS OF CREDIT RISK (Cash balances at a single financial institution)

The Company maintains its cash balances at BB & T Bank located in Wise, Virginia. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2019, the Company's uninsured cash balances total \$2,331,221 as reported on the bank statements. The cash balance reported on the balance sheet, \$2,597,561.

**ST. MARY'S HEALTH WAGON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5: CONCENTRATIONS OF CREDIT RISK (continued)

The Company maintains investments at Ameriprise Financial in the amount of \$5,507,448 as of December 31, 2019. Investments within a brokerage are not FDIC insured.

Ameriprise Financial is able to execute and clear all brokerage transactions and maintain client accounts. Ameriprise Financial is registered with the Securities and Exchange Commission ("SEC") as broker-dealer and investment advisor. Accordingly, they must adhere to strict regulatory standards concerning the safekeeping and segregation of client assets and the preservation of capital reserves.

Ameriprise Financial is a member of the Securities Investor Protection Corporation ("SIPC"). SIPC is a nonprofit organization of US broker-dealers created in 1970 by Congress. It is funded by assessments collected from its member securities broker-dealers. SIPC can draw from its reserve fund to protect each client up to \$500,000, of which up to \$250,000 may be for cash-free credit balances.

For cash held in an American brokerage account, they offer an FDIC-insured money market "sweep" account program called the Ameriprise Insured Money Market Account (AIMMA). With AIMMA, Ameriprise transfers cash balances into the insured sweep program, which places deposits in multiple banks, each of which is FDIC-insured. Through AIMMA they can protect up to \$2.5 million in cash in your accounts.

SIPC and excess of SIPC protection do not insure against losses due to market fluctuations. SIPC and excess of SIPC protection apply to net claims for the value of most securities and cash in the exclusive possession or control of Ameriprise Financial, including certain mutual funds, annuities, life insurance and limited partnerships, which may be redeemed directly from the issuer, carrier or their agents, are generally not covered by SIPC or excess of SIPC coverage.

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with donor restrictions are restricted for the following purposes at December 31, 2019:

Account	2019
ARC	\$ 45,870
Capital Campaign	1,796,695
RAM Program	93,851
Smiddy Program	23,555
Sullivan Endowment	124,000
Total	\$ 2,083,971

ST. MARY'S HEALTH WAGON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7: SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Non-Cash Investments

The Company has -0- in financing activities related to the purchase of equipment.

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

NOTE 8: ANNUAL LEAVE

Employees will earn annual leave based on their employment status and consecutive years in a leave eligible status. This time will be accrued per pay period while the employee remains in an eligible status.

Full-Time

<5 years of service:	80 hours (3.077 hours accrued each pay period up to a maximum of 120 hours)
5-9 years of service:	120 hours (4.606 hours accrued each pay period up to a maximum of 180 hours)
10 + years of service:	160 hours (6.154 hours accrued each pay period up to a maximum of 240 hours)

Part-Time

<5 years of service:	40 hours (1.539 hours accrued each pay period up to a maximum of 120 hours)
5-9 years of service:	60 hours (2.308 hours accrued each pay period up to a maximum of 180 hours)
10 + years of service:	80 hours (3.077 hours accrued each pay period up to a maximum of 240 hours)

Vacation accruals are computed from the beginning date of employment. Employees may only accumulate one and one-half times their annual vacation amount and any amount over that will not accrue and be forfeited. Pay in lieu of vacation is not allowed, except by special periodic programs. Transfer of accrued time from one employee to another is not allowed.

ST. MARY'S HEALTH WAGON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9: PENSION PLAN

The Company provides a 401(K) Safe Harbor Plan. The plan is available to all active employees who have worked 1,000 hours of employment and is a minimum is 21 years of age. The Company must contribute an amount equal to participating employee's contributions up to 4% of their compensation. Employees under the age of 50 can contribute a maximum of \$19,000 per year to the Safe Harbor 401(K) plan. Employees over the age of 50 can contribute up to \$25,000 due to a \$6,000 catch up provision that is allowed by the IRS. The plan is sponsored by John Hancock Retirement Plan Services. The organization has no liability beyond the current year contribution. Pension expense for the year ended December 31, 2019 was \$31,906.

NOTE 10: NOTE RECEIVABLE

The Company loaned Appalachian Center for Excellence in Health Care, Inc. a loan in the amount of \$100,000 on August 12, 2019. The Board approved the loan to help with the start-up cost associated with getting the new company started, which will provide the community acute and chronic care management treatment services for individuals that are opioid dependent.

NOTE 9: SUBSEQUENT EVENTS

Management has considered subsequent events through September 1, 2020; the date on which the financial statements were available to be issued.