

ST. MARY'S HEALTH WAGON, INC.

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**ST. MARY'S HEALTH WAGON, INC.**  
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**DECEMBER 31, 2020**

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**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, 2020; and the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements.

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, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Mary's Health Wagon's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting in error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of St. Mary's Health Wagon's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Mary's Health Wagon's ability to continue as a going concern for a reasonable period of time.

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

*Bostic, Tucker & Company, PC*

June 30, 2021  
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](http://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, 2020, 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 June 30, 2021.

**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*

June 30, 2021  
Lebanon, Virginia

**ST. MARY'S HEALTH WAGON, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 2,599,792
Accounts Receivable	225,173
Due from ACEH	244,584
Investments	<u>6,125,508</u>

**TOTAL CURRENT ASSETS** \$ 9,195,057

**NONCURRENT ASSETS**

Property and Equipment and Land-Net of Accumulated Depreciation	\$ 2,420,065
Note Receivable ACEH	<u>100,000</u>

**TOTAL NONCURRENT ASSETS** 2,520,065

**TOTAL ASSETS** \$ 11,715,122

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 20,804
Accrued Compensated Absences	52,395
Accrued Payroll Liabilities	2,475
Credit Card Payable	6,219
PPP Loan - Truist	313,200
Salaries Payable	<u>101,948</u>

**TOTAL CURRENT LIABILITIES** \$ 497,041

**NET ASSETS**

Without Donor Restrictions	\$ 10,537,191
With Donor Restrictions	<u>680,890</u>

**TOTAL NET ASSETS** \$ 11,218,081

**TOTAL LIABILITIES AND NET ASSETS** \$ 11,715,122

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, 2020**

**Changes in net assets without donor restrictions:**

Net assets released from restrictions:	
Satisfaction of program restrictions	\$ 2,995,894
Total net assets released from restrictions	2,995,894
Contributions	2,442,942
Donated stock	28,881
Grants	1,185,673
Investment income - net	119,047
Unrealized gain (loss) on investments	516,260
Program service income	101,225
Total revenues, gain, and other support without donor restrictions	7,389,922
Expenses and losses:	
Program expenses	3,716,814
Management and general	232,442
Fundraising	286,612
Total expenses	4,235,868
Increase in net assets without donor restrictions	3,154,054

**Changes in net assets with donor restrictions:**

Designated income	1,289,690
Grant income	358,715
Daily clinical expenses	(55,592)
Net assets released from restrictions	(2,995,894)
Decrease in net assets with donor restrictions	(1,403,081)
Increase in total net assets	1,750,973
Net assets at beginning of year	9,467,108
Net assets at end of year	\$ 11,218,081

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, 2020**

	<u>Program Services</u>			<u>Supporting Services</u>			
	Daily Clinical Services	RAM and Smiddy Community Outreach Medical Services	Total Program Expenses	Management and General	Fundraising	Total Support Expenses	Total Expenses
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 21,936	\$ 21,936	\$ 21,936
Accounting and Auditing	70,853	-	70,853	2,915	-	2,915	73,768
Board Meeting	-	-	-	603	-	603	603
Contracted Services	155,846	-	155,846	-	-	-	155,846
Depreciation	38,711	40,016	78,727	4,143	-	4,143	82,870
Employee Benefits	194,352	-	194,352	11,299	20,339	31,638	225,990
Gifts	15,372	-	15,372	-	-	-	15,372
Grant Expense	502,500	-	502,500	-	-	-	502,500
IT Expense	161,744	-	161,744	8,512	-	8,512	170,256
Insurance	59,993	-	59,993	3,157	-	3,157	63,150
Investment Fees	-	-	-	68,501	-	68,501	68,501
Licenses and Fees	49,063	-	49,063	2,581	-	2,581	51,644
Maintenance	22,797	-	22,797	1,198	-	1,198	23,995
Office Supplies / Postage	24,106	-	24,106	1,269	-	1,269	25,375
Patient Expense	148,015	-	148,015	-	-	-	148,015
Payroll Taxes	128,253	-	128,253	7,459	13,458	20,917	149,170
Pension Program	116,650	-	116,650	6,782	12,208	18,990	135,640
Program Expense - RAM	-	740	740	-	-	-	740
Program Expense - Smiddy	-	14,836	14,836	-	-	-	14,836
Program and Support Expense	105,571	-	105,571	5,087	-	5,087	110,658
Public Relations	-	-	-	-	42,753	42,753	42,753
Salaries	1,798,461	-	1,798,461	103,915	175,918	279,833	2,078,294
Training and Recruitment	23,751	-	23,751	-	-	-	23,751
Travel and Vehicle	56,288	-	56,288	2,916	-	2,916	59,204
Utilities	39,988	-	39,988	2,105	-	2,105	42,093
Rent	4,500	-	4,500	-	-	-	4,500
	<u>\$ 3,716,814</u>	<u>\$ 55,592</u>	<u>\$ 3,772,406</u>	<u>\$ 232,442</u>	<u>\$ 286,612</u>	<u>\$ 519,054</u>	<u>\$ 4,291,460</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, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in Net Assets	\$	1,750,973
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**ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Depreciation	\$	82,870
Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities		
Increase in Accounts Receivable		(14,699)
Increase in Accounts Payable		38,830
Decrease in Accrued Compensation		(5,399)
Increase in Accrued Payroll Liabilities		726
Increase in Credit Card Payable		635
Increase in Due from Others		(161,489)
Increase in Salaries Payable		64,045
		5,519

<b>NET CASH FLOW PROVIDED (USED) BY OPERATING ACTIVITIES</b>	\$	1,756,492
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**CASH FLOW FROM INVESTING ACTIVITIES**

Purchase of Fixed Assets	\$	(1,449,401)
<b>NET CASH FLOW PROVIDED (USED) BY INVESTING ACTIVITIES</b>		(1,449,401)

**CASH FLOW FROM FINANCING ACTIVITIES**

Purchase from Payroll Protection Loan	\$	313,200
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>		313,200

<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	\$	620,291
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<b>BEGINNING BALANCE - JANUARY 1 **</b>		8,105,009
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<b>ENDING BALANCE - DECEMBER 31 **</b>	\$	8,725,300
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**\*\* (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, 2020**

**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 Lee, Scott, Dickenson, Wise, Russell, 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, 2020**

**NOTE 1:      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Institute of Certified Public Accountants (AICPA) "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, 2020**

**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 \$82,870 has been applied for year ended December 31, 2020.

**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 \$21,936 for the year ended December 31, 2020.

**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, 2020**

**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, 2020**

**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	\$	2,599,792
Grants Receivable		225,173
Investment - Ameriprise		<u>6,125,508</u>
 Total	 \$	 <u><u>8,950,473</u></u>

The *Cash and Cash Equivalents* balance includes donor-restricted fund of \$680,890, expected to be spent in the normal course of operations during the fiscal year.

**NOTE 3: CASH AND INVESTMENTS**

As of December 31, 2020, cash consisted of the following:

<u>Account</u>	<u>Financial Institution</u>	<u>Amount</u>
Truist Savings	Truist	\$ 217,576
Checking - Operating	Truist	1,701,299
Petty Cash	-	<u>27</u>
<b>TOTAL WITHOUT DONOR RESTRICTIONS</b>		<b>\$ 1,918,902</b>
 ARC Account	Truist	 \$ 5
Building Campaign	Truist	398,209
RAM Checking - Lee County	Truist	21,124
RAM Checking - Smyth County	Truist	571
Moving Mountains Medical	Truist	97,021
Smiddy Bank Account	Truist	39,960
Sullivan Endowment	Truist	<u>124,000</u>
 <b>TOTAL WITH DONOR RESTRICTIONS</b>		 <b>\$ 680,890</b>
 <b>TOTAL CASH</b>		 <b>\$ <u><u>2,599,792</u></u></b>

**ST. MARY'S HEALTH WAGON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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, 2020.

<u>Description</u>	<u>Input Level</u>	<u>Unrealized Gains and (Losses)</u>	<u>Fair Value</u>
Ameriprise Brokerage Account	Level 1	\$ 22,457	\$ 629,660
Strategic Portfolio Service Advantage	Level 1	\$ 493,803	\$ 5,415,873
Cash Reserve Certificate	Level 1	\$ -	\$ 79,975
		<u>\$ 516,260</u>	<u>\$ 6,125,508</u>

**NOTE 4: EQUIPMENT**

Fixed assets held by the Agency consist of the following:

<u>Description</u>	<u>Amount</u>
Building	\$ 1,714,984
Furniture & Equipment	102,587
Improvements	165,214
Land	93,000
Mobile Unit	522,938
Office Equipment	235,793
Vehicles	99,080
	<u>2,933,596</u>
<b>TOTAL FIXED ASSETS</b>	<b>\$ 2,933,596</b>
Less: Accumulated Depreciation	<u>(513,531)</u>
	<u>2,420,065</u>
<b>TOTAL FIXED ASSETS NET OF ACCUMULATED DEPRECIATION</b>	<b>\$ 2,420,065</b>

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

The Company maintains its cash balances at Truist Bank located in Wise, Virginia. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2020, the Company's uninsured cash balances total \$2,434,188 as reported on the bank statements. The cash balance reported on the balance sheet, \$2,599,792.

**ST. MARY'S HEALTH WAGON, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5: CONCENTRATIONS OF CREDIT RISK (continued)**

The Company maintains investments at Ameriprise Financial in the amount of \$6,125,508 as of December 31, 2020. 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, 2020:

Account	2020
ARC	\$ 5
Capital Campaign	398,209
RAM Program	118,716
Smiddy Program	39,960
Sullivan Endowment	124,000
Total	\$ 680,890

**ST. MARY'S HEALTH WAGON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS (continued)**

Net Assets from restrictions by incurring expenses and capital expenditures satisfying the restricted purposes totaled \$2,015,882 for the year ended December 31, 2020.

**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.**  
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**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, 2020 was \$31,360.

**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 with substance use disorder and opioid use disorder.

**NOTE 11: PAYROLL PROTECTION LOAN**

The Organization received a payroll protection loan from Truist Bank in the amount of \$313,200. The loan was part of the CARES Act that was passed due to the Covid Pandemic. The loan is expected to be forgiven in 2021 through the payroll protection loan forgiveness program.

**NOTE 12: SUBSEQUENT EVENTS**

Management has considered subsequent events through June 30, 2021; the date on which the financial statements were available to be issued.