

Public Disclosure Copy

# Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Form **990**  
(Rev. January 2020)  
Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**2019**  
Open to Public Inspection

**A** For the 2019 calendar year, or tax year beginning **JUL 1, 2019** and ending **JUN 30, 2020**

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>WAGNER COMMUNITY MEMORIAL HOSPITAL</b> Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>513 THIRD STREET SW</b> City or town, state or province, country, and ZIP or foreign postal code <b>WAGNER, SD 57380-0280</b> <b>F</b> Name and address of principal officer: <b>BRYAN SLABA</b> <b>SAME AS C ABOVE</b>	<b>D</b> Employer identification number <b>46-0226283</b> <b>E</b> Telephone number <b>605-384-3611</b> <b>G</b> Gross receipts \$ <b>12,257,543.</b> <b>H(a)</b> Is this a group return for subordinates? ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J</b> Website: ▶ <b>WWW.AVERA.ORG/WAGNERHOSPITAL/</b>		
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>1947</b> <b>M</b> State of legal domicile: <b>SD</b>

**Part I Summary**

	<b>1</b>	Briefly describe the organization's mission or most significant activities: <b>TO PROVIDE HEALTHCARE SERVICES.</b>		
<b>Activities &amp; Governance</b>	<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>8</b>
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>7</b>
	<b>5</b>	Total number of individuals employed in calendar year 2019 (Part V, line 2a)	<b>5</b>	<b>86</b>
	<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>	<b>8</b>
	<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
	<b>7b</b>	Net unrelated business taxable income from Form 990-T, line 39	<b>7b</b>	<b>0.</b>
<b>Revenue</b>	<b>8</b>	Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b> 21,370.	<b>Current Year</b> 193,335.
	<b>9</b>	Program service revenue (Part VIII, line 2g)	10,358,404.	11,189,219.
	<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	156,737.	104,370.
	<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	18,902.	17,802.
	<b>12</b>	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	10,555,413.	11,504,726.
	<b>Expenses</b>	<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	7,464.
<b>14</b>		Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
<b>15</b>		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	5,124,190.	6,130,745.
<b>16a</b>		Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
<b>b</b>		Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>0.</b>		
<b>17</b>		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	4,927,270.	4,824,791.
	<b>18</b>	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	10,058,924.	10,960,726.
	<b>19</b>	Revenue less expenses. Subtract line 18 from line 12	496,489.	544,000.
<b>Net Assets or Fund Balances</b>	<b>20</b>	Total assets (Part X, line 16)	<b>Beginning of Current Year</b> 12,488,638.	<b>End of Year</b> 16,659,661.
	<b>21</b>	Total liabilities (Part X, line 26)	5,423,465.	8,931,796.
	<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20	7,065,173.	7,727,865.

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer <b>BRYAN SLABA, CEO</b> Type or print name and title	Date			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>LAURIE HANSON, CPA</b>	Preparer's signature <b>LAURIE HANSON, CPA</b>	Date <b>03/08/21</b>	Check if self-employed <input type="checkbox"/>	PTIN <b>P00851848</b>
	Firm's name ▶ <b>EIDE BAILLY LLP</b>	Firm's EIN ▶ <b>45-0250958</b>		Phone no. <b>605-339-1999</b>	
	Firm's address ▶ <b>200 E. 10TH ST., STE. 500</b> <b>SIOUX FALLS, SD 57104-6375</b>				

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: WAGNER COMMUNITY MEMORIAL HOSPITAL'S MISSION IS TO PROVIDE CARE AND TREATMENT OF THE SICK; PROVIDE CARE AND SUPPORT OF THE AGED, DISABLED, AND INDIGENT; AND TO PROVIDE FOR THOSE IN NEED OF HOSPITALIZATION REGARDLESS OF RACE, COLOR, CREED, OR ABILITY TO PAY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 9,488,293. including grants of \$ 5,190. ) (Revenue \$ 11,189,219. ) WCMH IS A 20 BED CRITICAL ACCESS HOSPITAL EQUIPPED WITH EXTENSIVE ADVANCED SERVICES, INCLUDING AREAS FOR MEDICAL/SURGICAL, PEDIATRIC, INTENSIVE/CORONARY CARE, AND SWING BED/LONG TERM CARE. THE CLINIC IS ADJACENT TO THE HOSPITAL MAKING IT CONVENIENT TO SEE HOSPITAL PATIENTS, AND SHARE LABORATORY SERVICES AND OTHER DIAGNOSTIC EQUIPMENT. OUTREACH SERVICES INCLUDE OB/GYN, PEDIATRICS, ORTHOPEDIC SURGERY, GENERAL SURGERY, UROLOGY, PODIATRY, ENT & AUDIOLOGY. THE PEOPLE OF THE COMMUNITY TRULY BELIEVE IN HAVING ACCESS TO CARE AND SUPPORT THEIR LOCAL MEDICAL PROVIDERS.

THE FACILITY SERVES AS THE INPATIENT UNIT FOR THE LOCAL INDIAN HEALTH SERVICES CLINIC AND WORKS COLLABORATIVELY WITH THE IHS PHYSICIANS AND

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe on Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 9,488,293.

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	X	
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
<b>25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>26</b> Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i> .....		X
<b>27</b> Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions, for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</b> A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i> .....	X	
<b>c</b> A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....		X
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....		X
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		
<b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? .....	X	

**Note:** All Form 990 filers are required to complete Schedule O

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V

	Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable .....		
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable .....		
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? .....	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 2a through 16 regarding employee counts, tax filings, and organizational compliance.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year; 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?; 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?; 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?; 5 Did the organization become aware during the year of a significant diversion of the organization's assets?; 6 Did the organization have members or stockholders?; 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?; 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?; 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? b Each committee with authority to act on behalf of the governing body?; 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates?; 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?; 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990.; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13; 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?; 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done; 13 Did the organization have a written whistleblower policy?; 14 Did the organization have a written document retention and destruction policy?; 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?; 15a The organization's CEO, Executive Director, or top management official; 15b Other officers or key employees of the organization; 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?; 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed NONE
18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. [X] Own website [ ] Another's website [X] Upon request [ ] Other (explain on Schedule O)
19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records LISA WEISSER - 605-384-3611 513 3RD STREET SW, WAGNER, SD 57380-0280

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations. See instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MIKEALA KOENIG PHYSICIAN	40.00					X	225,513.	0.	29,891.	
(2) BRYAN SLABA CEO/ADMINISTRATOR	40.00			X			209,805.	0.	19,811.	
(3) JESSICA VANDERHAM NURSE PRACTITIONER	40.00					X	141,862.	0.	29,285.	
(4) LINDSEY NEDVED NURSE PRACTITIONER	40.00					X	130,399.	0.	19,586.	
(5) JORDAN WEBER PHYSICIANS ASSISTANT	40.00					X	135,426.	0.	12,386.	
(6) TIANNA SMITH PHYSICIAN INTERN	40.00					X	120,060.	0.	0.	
(7) DAVID KOTAB PRESIDENT	0.50	X		X			0.	0.	0.	
(8) BILL FREI VICE PRESIDENT (UNTIL SEPT 2019)	0.50	X		X			0.	0.	0.	
(9) CHAD PETERS SEC/TREAS/VICE PRESIDENT	0.50	X		X			0.	0.	0.	
(10) KAREN SOULEK DIRECTOR/SECRETARY/TREASURER	0.50	X					0.	0.	0.	
(11) MICHELE JUFFER DIRECTOR (BEG SEPT 2019)	0.50	X					0.	0.	0.	
(12) STEVEN COTTON DIRECTOR (UNTIL SEPT 2019)	0.50	X					0.	0.	0.	
(13) ANN FREIER-METZGER DIRECTOR	0.50	X					0.	0.	0.	
(14) MITCHEL BREEN DIRECTOR	0.50	X					0.	0.	0.	
(15) RACHEL WOODS DIRECTOR	0.50	X					0.	0.	0.	
(16) KATHE HENKE DIRECTOR (BEG DEC 2019)	0.50	X					0.	0.	0.	



Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

Table with 6 main columns: (A) Name and title, (B) Average hours per week, (C) Position, (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation.

Summary rows for Section A: 1b Subtotal, c Total from continuation sheets to Part VII, Section A, d Total (add lines 1b and 1c).

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 7

Table with 3 columns: Question number, Yes, No. Contains questions 3, 4, and 5 regarding compensation reporting.

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

Table with 3 columns: (A) Name and business address, (B) Description of services, (C) Compensation. Lists contractors like AVERA SACRED HEART HOSPITAL and JEFFREY D PINTER MD.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 9

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	<b>1 a</b>	Federated campaigns .....	<b>1a</b>					
	<b>b</b>	Membership dues .....	<b>1b</b>					
	<b>c</b>	Fundraising events .....	<b>1c</b>					
	<b>d</b>	Related organizations .....	<b>1d</b>					
	<b>e</b>	Government grants (contributions) .....	<b>1e</b>	191,310.				
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above ...	<b>1f</b>	2,025.				
	<b>g</b>	Noncash contributions included in lines 1a-1f	<b>1g</b>	\$				
	<b>h</b>	<b>Total.</b> Add lines 1a-1f .....			193,335.			
Program Service Revenue	<b>2 a</b>	PATIENT SERVICE FEES	Business Code	621110	10,959,866.	10,959,866.		
	<b>b</b>	PHARMACY REVENUE		900099	174,501.	174,501.		
	<b>c</b>							
	<b>d</b>							
	<b>e</b>							
	<b>f</b>	All other program service revenue .....		900099	54,852.	54,852.		
	<b>g</b>	<b>Total.</b> Add lines 2a-2f .....			11,189,219.			
Other Revenue	<b>3</b>	Investment income (including dividends, interest, and other similar amounts) .....			7,187.		7,187.	
	<b>4</b>	Income from investment of tax-exempt bond proceeds .....						
	<b>5</b>	Royalties .....						
	<b>6 a</b>	Gross rents .....	(i) Real	17,802.				
			(ii) Personal					
	<b>b</b>	Less: rental expenses ...	<b>6b</b>	0.				
	<b>c</b>	Rental income or (loss)	<b>6c</b>	17,802.				
	<b>d</b>	Net rental income or (loss) .....			17,802.		17,802.	
	<b>7 a</b>	Gross amount from sales of assets other than inventory .....	(i) Securities	850,000.				
			(ii) Other					
	<b>b</b>	Less: cost or other basis and sales expenses .....	<b>7b</b>	752,817.				
<b>c</b>	Gain or (loss) .....	<b>7c</b>	97,183.					
<b>d</b>	Net gain or (loss) .....			97,183.		97,183.		
<b>8 a</b>	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....	<b>8a</b>						
<b>b</b>	Less: direct expenses .....	<b>8b</b>						
<b>c</b>	Net income or (loss) from fundraising events .....							
<b>9 a</b>	Gross income from gaming activities. See Part IV, line 19 .....	<b>9a</b>						
<b>b</b>	Less: direct expenses .....	<b>9b</b>						
<b>c</b>	Net income or (loss) from gaming activities .....							
<b>10 a</b>	Gross sales of inventory, less returns and allowances .....							
<b>b</b>	Less: cost of goods sold .....	<b>10b</b>						
<b>c</b>	Net income or (loss) from sales of inventory .....							
Miscellaneous Revenue	<b>11 a</b>		Business Code					
	<b>b</b>							
	<b>c</b>							
	<b>d</b>	All other revenue .....						
	<b>e</b>	<b>Total.</b> Add lines 11a-11d .....						
<b>12</b>	<b>Total revenue.</b> See instructions .....			11,504,726.	11,189,219.	0.	122,172.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX  X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...	5,190.	5,190.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22 .....				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 .....				
4 Benefits paid to or for members .....				
5 Compensation of current officers, directors, trustees, and key employees .....	241,977.		241,977.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....	60,663.	60,663.		
7 Other salaries and wages .....	4,826,554.	4,391,242.	435,312.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	103,289.	91,155.	12,134.	
9 Other employee benefits .....	560,908.	495,012.	65,896.	
10 Payroll taxes .....	337,354.	297,722.	39,632.	
11 Fees for services (nonemployees):				
a Management .....				
b Legal .....				
c Accounting .....	48,110.		48,110.	
d Lobbying .....				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees .....				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	1,535,575.	1,218,484.	317,091.	
12 Advertising and promotion .....	30,922.		30,922.	
13 Office expenses .....	396,223.	323,919.	72,304.	
14 Information technology .....	8,911.	8,911.		
15 Royalties .....				
16 Occupancy .....	149,358.	149,358.		
17 Travel .....	40,350.	39,385.	965.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings .....	29,312.	26,237.	3,075.	
20 Interest .....	207,686.	207,686.		
21 Payments to affiliates .....				
22 Depreciation, depletion, and amortization .....	574,959.	528,951.	46,008.	
23 Insurance .....	53,270.		53,270.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <b>MEDICAL SUPPLIES</b>	997,727.	997,727.		
b <b>BAD DEBT</b>	384,309.	384,309.		
c <b>REPAIRS AND MAINTENANCE</b>	279,168.	239,409.	39,759.	
d _____				
e All other expenses _____	88,911.	22,933.	65,978.	
<b>25 Total functional expenses.</b> Add lines 1 through 24e	<b>10,960,726.</b>	<b>9,488,293.</b>	<b>1,472,433.</b>	<b>0.</b>
<b>26 Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....		<b>1</b>	
	<b>2</b> Savings and temporary cash investments .....	670,458.	<b>2</b>	361,419.
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....	1,406,171.	<b>4</b>	2,185,630.
	<b>5</b> Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....	144,223.	<b>8</b>	152,319.
	<b>9</b> Prepaid expenses and deferred charges .....	69,445.	<b>9</b>	47,956.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 12,672,222.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 7,747,280.	<b>10c</b>	4,924,942.
	<b>11</b> Investments - publicly traded securities .....		<b>11</b>	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	4,937,738.	<b>12</b>	8,285,302.
	<b>13</b> Investments - program-related. See Part IV, line 11 .....	75,585.	<b>13</b>	434,962.
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	293,438.	<b>15</b>	267,131.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 33) .....	12,488,638.	<b>16</b>	16,659,661.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	650,519.	<b>17</b>	719,017.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....		<b>19</b>	3,305,055.
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....	4,679,546.	<b>23</b>	3,907,724.
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	1,000,000.
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	93,400.	<b>25</b>	0.
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	5,423,465.	<b>26</b>	8,931,796.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow FASB ASC 958, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27, 28, 32, and 33.</b>			
	<b>27</b> Net assets without donor restrictions .....	7,065,173.	<b>27</b>	7,727,865.
	<b>28</b> Net assets with donor restrictions .....		<b>28</b>	
	<b>Organizations that do not follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 29 through 33.</b>			
	<b>29</b> Capital stock or trust principal, or current funds .....		<b>29</b>	
	<b>30</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>30</b>	
	<b>31</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>31</b>	
	<b>32</b> Total net assets or fund balances .....	7,065,173.	<b>32</b>	7,727,865.
	<b>33</b> Total liabilities and net assets/fund balances .....	12,488,638.	<b>33</b>	16,659,661.

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	11,504,726.
2	Total expenses (must equal Part IX, column (A), line 25)	2	10,960,726.
3	Revenue less expenses. Subtract line 2 from line 1	3	544,000.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	7,065,173.
5	Net unrealized gains (losses) on investments	5	118,692.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	7,727,865.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

- 1 Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant? .....  
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant? .....  
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? .....  
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? .....
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits .....

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

**Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.**  
▶ **Attach to Form 990 or Form 990-EZ.**  
▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2019**

**Open to Public Inspection**

Name of the organization <b>WAGNER COMMUNITY MEMORIAL HOSPITAL</b>		Employer identification number <b>46-0226283</b>
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**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: \_\_\_\_\_
- 10  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
  - a  **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
  - b  **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
  - c  **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
  - d  **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
  - e  Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations .....

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
<b>Total</b>						

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge ...						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ...						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on ...						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2019 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2018 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2019.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 33 1/3% support test - 2018.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2019.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2018.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ..... ►

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2019 (line 8, column (f), divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2018 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2018 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2019.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ..... ►

**b 33 1/3% support tests - 2018.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ..... ►

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ..... ►



**Part IV Supporting Organizations**

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
<b>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
<b>b</b> A family member of a person described in (a) above?		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
<b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
<b>2</b> Activities Test. Answer (a) and (b) below.		
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
<b>b</b> Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

<b>Section A - Adjusted Net Income</b>		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

<b>Section B - Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

<b>Section C - Distributable Amount</b>		(A) Prior Year	Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** (continued)

<b>Section D - Distributions</b>	<b>Current Year</b>
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7 Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b> Distributable amount for 2019 from Section C, line 6	
<b>10</b> Line 8 amount divided by line 9 amount	

<b>Section E - Distribution Allocations</b> (see instructions)	<b>(i) Excess Distributions</b>	<b>(ii) Underdistributions Pre-2019</b>	<b>(iii) Distributable Amount for 2019</b>
<b>1</b> Distributable amount for 2019 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in <b>Part VI</b> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2019			
<b>a</b> From 2014			
<b>b</b> From 2015			
<b>c</b> From 2016			
<b>d</b> From 2017			
<b>e</b> From 2018			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2019 distributable amount			
<b>i</b> Carryover from 2014 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2019 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2019 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>6</b> Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>7 Excess distributions carryover to 2020.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2015			
<b>b</b> Excess from 2016			
<b>c</b> Excess from 2017			
<b>d</b> Excess from 2018			
<b>e</b> Excess from 2019			

**Part VI Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

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**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**  
▶ **Attach to Form 990.**

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2019**  
**Open to Public Inspection**

**Name of the organization** WAGNER COMMUNITY MEMORIAL HOSPITAL **Employer identification number** 46-0226283

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate value of contributions to (during year) .....		
3 Aggregate value of grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....	Yes	No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....	Yes	No

**Part II Conservation Easements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).  
 Preservation of land for public use (for example, recreation or education)  Preservation of a historically important land area  
 Protection of natural habitat  Preservation of a certified historic structure  
 Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange program
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- |                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 1f     |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment  \_\_\_\_\_ %
  - b Permanent endowment  \_\_\_\_\_ %
  - c Term endowment  \_\_\_\_\_ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |   | Yes    | No |
|---|--------|----|
| (i) Unrelated organizations   | 3a(i)  |    |
| (ii) Related organizations  | 3a(ii) |    |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? <input type="checkbox"/> | 3b     |    |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		4,247.		4,247.
b Buildings		8,864,022.	5,082,201.	3,781,821.
c Leasehold improvements				
d Equipment		3,461,701.	2,448,032.	1,013,669.
e Other		342,252.	217,047.	125,205.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				<b>4,924,942.</b>

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely held equity interests .....		
(3) Other		
(A) ASSETS LIMITED AS TO USE		
(B) - AVERA POOLED		
(C) INVESTMENTS	8,285,302.	END-OF-YEAR MARKET VALUE
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	8,285,302.	

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ...



**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements	<b>1</b>	11,239,109.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains (losses) on investments	<b>2a</b>	118,692.
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	-384,309.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	-265,617.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	11,504,726.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	0.
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)	<b>5</b>	11,504,726.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements	<b>1</b>	10,576,417.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Other losses	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	0.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	10,576,417.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	384,309.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	384,309.
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)	<b>5</b>	10,960,726.

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART X, LINE 2:**

THE HOSPITAL BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN AFFECTING ITS ANNUAL FILING REQUIREMENTS, AND AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS. THE HOSPITAL WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES RELATED TO UNRECOGNIZED TAX BENEFITS AND LIABILITIES IN INCOME TAX EXPENSE IF SUCH INTEREST AND PENALTIES ARE INCURRED.

**PART XI, LINE 2D - OTHER ADJUSTMENTS:**

BAD DEBT EXPENSE -384,309.

**PART XII, LINE 4B - OTHER ADJUSTMENTS:**

**Part XIII** **Supplemental Information** (continued)

**BAD DEBT EXPENSE**

**384,309.**

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**SCHEDULE H  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Hospitals**

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, question 20.
- ▶ Attach to Form 990.
- ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2019**

Open to Public Inspection

Name of the organization **WAGNER COMMUNITY MEMORIAL HOSPITAL** Employer identification number **46-0226283**

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
<b>2</b> If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
<b>3</b> Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
<b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
<b>b</b> Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input checked="" type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
<b>c</b> If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
<b>4</b> Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	<input checked="" type="checkbox"/>	
<b>c</b> If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		<input checked="" type="checkbox"/>
<b>6a</b> Did the organization prepare a community benefit report during the tax year?		<input checked="" type="checkbox"/>
<b>b</b> If "Yes," did the organization make it available to the public?		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

**7 Financial Assistance and Certain Other Community Benefits at Cost**

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1)			299,000.		299,000.	2.73%
<b>b</b> Medicaid (from Worksheet 3, column a)						
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)						
<b>d Total.</b> Financial Assistance and Means-Tested Government Programs			299,000.		299,000.	2.73%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)	6	20	4,617.		4,617.	.04%
<b>f</b> Health professions education (from Worksheet 5)	1	3	469.		469.	.00%
<b>g</b> Subsidized health services (from Worksheet 6)			2654363.	1250132.	1404231.	12.81%
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)	2	15	8,490.		8,490.	.08%
<b>j Total.</b> Other Benefits	9	38	2667939.	1250132.	1417807.	12.93%
<b>k Total.</b> Add lines 7d and 7j	9	38	2966939.	1250132.	1716807.	15.66%

**Part II Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
<b>1</b> Physical improvements and housing						
<b>2</b> Economic development						
<b>3</b> Community support	1	1	393.		393.	.00%
<b>4</b> Environmental improvements						
<b>5</b> Leadership development and training for community members						
<b>6</b> Coalition building	2	2	865.		865.	.01%
<b>7</b> Community health improvement advocacy						
<b>8</b> Workforce development	1	400	2,743.	2,500.	243.	.00%
<b>9</b> Other						
<b>10 Total</b>	4	403	4,001.	2,500.	1,501.	.01%

**Part III Bad Debt, Medicare, & Collection Practices**

	Yes	No
<b>Section A. Bad Debt Expense</b>		
<b>1</b> Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? .....	1	X
<b>2</b> Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount .....	2	384,309.
<b>3</b> Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit .....	3	82,626.
<b>4</b> Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.		
<b>Section B. Medicare</b>		
<b>5</b> Enter total revenue received from Medicare (including DSH and IME) .....	5	3,996,731.
<b>6</b> Enter Medicare allowable costs of care relating to payments on line 5 .....	6	4,001,905.
<b>7</b> Subtract line 6 from line 5. This is the surplus (or shortfall) .....	7	-5,174.
<b>8</b> Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other		
<b>Section C. Collection Practices</b>		
<b>9a</b> Did the organization have a written debt collection policy during the tax year? .....	9a	X
<b>b</b> If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI .....	9b	X

**Part IV Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %

**Part V Facility Information**

**Section A. Hospital Facilities**

(list in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

**1 WAGNER COMMUNITY MEMORIAL HOSPITAL**  
 513 3RD ST SW  
 WAGNER, SD 57380  
 WWW.AVERA.ORG/WAGNERHOSPITAL/  
 10571

Licensed hospital	Gen. medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
X	X			X		X			

**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices**

(complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or letter of facility reporting group WAGNER COMMUNITY MEMORIAL HOSPITAL

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
<b>Community Health Needs Assessment</b>		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year? .....		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C .....		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 .....	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>18</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted .....	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C .....		X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C .....		X
7 Did the hospital facility make its CHNA report widely available to the public? .....	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input type="checkbox"/> Hospital facility's website (list url): .....		
b <input checked="" type="checkbox"/> Other website (list url): <u>SEE LINE 7D NARRATIVE</u>		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input checked="" type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 .....	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>18</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website? .....	X	
a If "Yes," (list url): <u>SEE LINE 7D NARRATIVE</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? .....		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? .....		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? .....		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

**Part V Facility Information** (continued)

**Financial Assistance Policy (FAP)**

Name of hospital facility or letter of facility reporting group WAGNER COMMUNITY MEMORIAL HOSPITAL

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
<b>13</b>	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? .....	<b>X</b>	
If "Yes," indicate the eligibility criteria explained in the FAP:			
<b>a</b>	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>100</u> % and FPG family income limit for eligibility for discounted care of <u>200</u> %		
<b>b</b>	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
<b>c</b>	<input type="checkbox"/> Asset level		
<b>d</b>	<input checked="" type="checkbox"/> Medical indigency		
<b>e</b>	<input checked="" type="checkbox"/> Insurance status		
<b>f</b>	<input type="checkbox"/> Underinsurance status		
<b>g</b>	<input type="checkbox"/> Residency		
<b>h</b>	<input checked="" type="checkbox"/> Other (describe in Section C)		
<b>14</b>	Explained the basis for calculating amounts charged to patients? .....	<b>X</b>	
<b>15</b>	Explained the method for applying for financial assistance? .....	<b>X</b>	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):			
<b>a</b>	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
<b>b</b>	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
<b>c</b>	<input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
<b>d</b>	<input checked="" type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
<b>e</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>16</b>	Was widely publicized within the community served by the hospital facility? .....	<b>X</b>	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
<b>a</b>	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE 16J NARRATIVE</u>		
<b>b</b>	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE 16J NARRATIVE</u>		
<b>c</b>	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE 16J NARRATIVE</u>		
<b>d</b>	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>e</b>	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>f</b>	<input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>g</b>	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
<b>h</b>	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
<b>i</b>	<input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
<b>j</b>	<input checked="" type="checkbox"/> Other (describe in Section C)		

**Part V Facility Information** (continued)

**Billing and Collections**

Name of hospital facility or letter of facility reporting group WAGNER COMMUNITY MEMORIAL HOSPITAL

	Yes	No
<b>17</b> Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment? .....	<b>X</b>	
<b>18</b> Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
<b>19</b> Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? .....		<b>X</b>
If "Yes," check all actions in which the hospital facility or a third party engaged:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
<b>20</b> Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):		
a <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C)		
b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
e <input type="checkbox"/> Other (describe in Section C)		
f <input type="checkbox"/> None of these efforts were made		

**Policy Relating to Emergency Medical Care**

<b>21</b> Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? .....	<b>X</b>	
If "No," indicate why:		
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
d <input type="checkbox"/> Other (describe in Section C)		



**Part V Facility Information** *(continued)*

**Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**

Name of hospital facility or letter of facility reporting group WAGNER COMMUNITY MEMORIAL HOSPITAL

		Yes	No
<b>22</b>	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
<b>a</b>	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
<b>b</b>	<input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
<b>c</b>	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
<b>d</b>	<input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
<b>23</b>	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? ..... If "Yes," explain in Section C.	23	X
<b>24</b>	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? ..... If "Yes," explain in Section C.	24	X

**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

WAGNER COMMUNITY MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 5: THE WAGNER COMMUNITY MEMORIAL HOSPITAL

REPRESENTATIVES REACHED OUT TO LOCAL COMMUNITY MEMBERS AND LEADERS TO

DEVELOP A COMMUNITY FOCUS GROUP USED IN CONDUCTING THE MOST RECENT NEEDS

ASSESSMENT. THE ORGANIZATIONS INCLUDED THE AMERICAN INDIAN POPULATION AND

A FOCUS GROUP CONSISTING OF REPRESENTATIVES FROM WAGNER GOOD SAMARITAN

SOCIETY, WAGNER/LAKE ANDES EMERGENCY MEDICAL SERVICES, WAGNER COMMUNITY

MEMORIAL HOSPITAL BOARD MEMBERS, WAGNER INDIAN HEALTH SERVICES, YANKTON

SIOUX TRIBE, WAGNER POLICE DEPARTMENT AND SDSU EXTENSION.

WAGNER COMMUNITY MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 7D: THE CHNA REPORT AND IMPLEMENTATION STRATEGY

ARE AVAILABLE AT

[HTTPS://WWW.AVERA.ORG/LOCATIONS/WAGNER-COMMUNITY-MEMORIAL-HOSPITAL-AVERA/](https://www.avera.org/locations/wagner-community-memorial-hospital-avera/)

WAGNER COMMUNITY MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 11: PURSUANT TO THE IMPLEMENTATION STRATEGY

ADOPTED BY WAGNER COMMUNITY MEMORIAL HOSPITAL, MENTAL HEALTH SERVICES,

SUBSTANCE ABUSE, DIABETES, OBESITY AND VIOLENCE WERE IDENTIFIED AS

COMMUNITY NEEDS. IN RESPONSE TO THE IDENTIFIED NEEDS, THE FACILITY

ACCOMPLISHES THE FOLLOWING ACTIVITIES ANNUALLY:

1. MENTAL HEALTH:

- HOSPITAL EMPLOYEES WILL BE KNOWLEDGEABLE OF BEHAVIORAL HEALTH RESOURCES.

- INCREASING UTILIZATION OF TELEMEDICINE SERVICES (EMERGENCY AND TRIAGE)

**Part V Facility Information** *(continued)*

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

- THE HOSPITAL WILL CONTINUE TO EMPLOY OR CONTRACT A FULL TIME OR PART TIME PSYCHIATRIC (MEDICATION MANAGEMENT) AND/OR A PSYCHOLOGIC (COUNSELING) PROVIDER.

**2. SUBSTANCE ABUSE:**

- WCMH EMPLOYEES WILL BE KNOWLEDGEABLE OF SUBSTANCE ABUSE RESOURCES AVAILABLE.

- INCREASE UTILIZATION OF TELEMEDICINE SERVICES (E-ADDICTION, ETRIAGE ETC)

**3. DIABETES:**

- PROVIDE DIABETIC EDUCATION OPPORTUNITIES WITHIN THE COMMUNITY

- INCREASE REFERRALS TO DIABETIC EDUCATION PROGRAMS AND RECOURSES

- EDUCATE DIABETIC PATIENTS OF THE AVAILABLE GLUCOSE MONITORS IN TOWN - JAMES DRUG FOR PURCHASE OR AT INDIAN HEALTH SERVICES TO THOSE WHO QUALIFY FOR BENEFITS.

**4. OBESITY:**

- WCMH WILL INCREASE AWARENESS OF LOCAL EXERCISE OPPORTUNITIES WITHIN THE SURROUNDING AREA.

- WCMH WILL CONTINUE TO COLLABORATE WITH THE WAGNER HEALTH AND WELLNESS CONSORTIUM TO PROMOTE AREA EXERCISE PROGRAMS

- WCMH PROVIDERS WILL CONTINUE TO EDUCATE THEIR PATIENTS ON A HEALTHY DIET.

**5. VIOLENCE:**

- WCMH TAKES PART IN ANNUAL COMPETENCY TRAINING WHICH INCLUDES A SECTION ON VIOLENCE AND HOW TO DEAL WITH PATIENTS PRESENTING THESE ISSUES.

- WCMH HAS SHARED VIOLENCE CONCERNS WITH LAW ENFORCEMENT.

DURING THE CURRENT YEAR, WCMH ALSO ACCOMPLISHED THE FOLLOWING ACTIVITIES:

1. MENTAL HEALTH - EMPLOYED A COUNSELOR AND CONTINUED TO EMPLOY A PART-TIME PSYCHIATRIC PROVIDER

**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

2. SUBSTANCE ABUSE - MADE STAFF AWARE OF SUBSTANCE ABUSE RESOURCES AND DECREASED TIME BETWEEN REFERRAL AND OUTPATIENT EVALUATION.

3. DIABETES - DUE TO COVID-19, DIABETIC EDUCATION WAS NOT FULLY PRESENTED AS PLANNED.

4. OBESITY - UTILIZED SOCIAL MEDIA TO INCREASE AWARENESS OF LOCAL EXERCISE OPPORTUNITIES WITH WAGNER HEALTH AND WELLNESS CONSORTIUM.

WAGNER COMMUNITY MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 13H: THE HOSPITAL USES PRESUMPTIVE ELIGIBILITY TO DETERMINE FINANCIAL ASSISTANCE ELIGIBILITY IF NEEDED.

WAGNER COMMUNITY MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 16J:

PART V, LINE 16A, FAP WEBSITE:

[HTTPS://WWW.AVERA.ORG/LOCATIONS/WAGNER-COMMUNITY-MEMORIAL-HOSPITAL-AVERA/](https://www.avera.org/locations/wagner-community-memorial-hospital-avera/)

PART V, LINE 16B, FAP APPLICATION WEBSITE:

[HTTPS://WWW.AVERA.ORG/LOCATIONS/WAGNER-COMMUNITY-MEMORIAL-HOSPITAL-AVERA/](https://www.avera.org/locations/wagner-community-memorial-hospital-avera/)

PART V, LINE 16C, FAP PLAIN LANGUAGE SUMMARY WEBSITE:

[HTTPS://WWW.AVERA.ORG/LOCATIONS/WAGNER-COMMUNITY-MEMORIAL-HOSPITAL-AVERA/](https://www.avera.org/locations/wagner-community-memorial-hospital-avera/)

PART V, LINE 16I: THE REFERENCE TO THE POLICY AND ITS LOCATION IS SENT WITH ALL STATEMENTS.

**Part V Facility Information** *(continued)*

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

WAGNER COMMUNITY MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 24: THE HOSPITAL FINANCIAL ASSISTANCE POLICY DOES NOT COVER ELECTIVE PROCEDURES. THE HOSPITAL MAY HAVE CHARGED FAP ELIGIBLE PATIENTS GROSS CHARGES FOR SERVICES THAT ARE NOT COVERED UNDER THE FINANCIAL ASSISTANCE POLICY.



**Part VI Supplemental Information**

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

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**PART I, LINE 3C:**

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IN ADDITION TO UTILIZING FPG TO DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE, THE HOSPITAL REVIEWS INSURANCE STATUS AND USES PRESUMPTIVE ELIGIBILITY.

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**PART I, LINE 7:**

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CHARITY CARE EXPENSE WAS CONVERTED TO COST ON LINE 7A BASED ON AN OVERALL COST-TO-CHARGE RATIO ADDRESSING ALL PATIENT SEGMENTS. LINES 7E, 7F AND 7I WERE OBTAINED UTILIZING THE ACTUAL GENERAL LEDGER SYSTEM. LINE 7G WAS OBTAINED FROM THE MEDICARE COST REPORT.

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**PART I, LINE 7G:**

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SUBSIDIZED HEALTH SERVICES INCLUDED PROVIDER BASED CLINIC REVENUE OF \$720,956 LESS EXPENSE OF \$1,226,000, FOR A NET BENEFIT OF 505,044.

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**PART I, LN 7 COL(F):**

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BAD DEBT EXPENSE OF \$384,309 WAS SUBTRACTED FROM TOTAL OPERATING EXPENSE.

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**Part VI** Supplemental Information (Continuation)

## PART II, COMMUNITY BUILDING ACTIVITIES:

- WCMH HOSTS AN 8TH GRADE CAREER FAIR FOR THE REGION SCHOOLS IN WHICH EIGHTH GRADERS MUST SELECT CAREER PATHWAYS FOR HIGH SCHOOL REGISTRATION. THE GOAL OF THE CAREER FAIR IS TO EXPOSE STUDENTS TO THE TECHNICAL SKILLS AND EDUCATION NEEDED TO BE SUCCESSFUL IN BUSINESS AND INDUSTRY. THE STUDENTS ARE EXPOSED TO MANY "HANDS-ON" ACTIVITIES WHICH REPRESENT THE EDUCATION NECESSARY IN EACH CAREER.

- WCMH ADMINISTERS THE INFLUENZA VACCINE TO ELIGIBLE CHILDREN AT THE WAGNER COMMUNITY SCHOOL IN CONJUCTION WITH THE CHARLES MIX COUNTY COMMUNITY HEALTH NURSE.

- STRENGTHENING OUR COMMUNITY (SOC) IS THE PROJECT AWARE ADVISORY COMMITTEE THAT IS MADE UP OF A CROSS SECTION OF COMMUNITY MEMBERS WHOSE GOAL IS TO BUILD RELATIONSHIPS AND CREATE CAPACITY TO BECOME A SELF-HEALING COMMUNITY. THE FOCUS IS ON MENTAL HEALTH WELL-BEING, AND SOC INCLUDES A JOINT EFFORT WITH SEVERAL COMMUNITY ORGANIZATIONS CONCERNED WITH THE MENTAL WELL-BEING OF OUR COMMUNITY'S YOUTH.

- THE WAGNER COMMUNITY MEMORIAL HOSPITAL HAS PARTNERED WITH SEVERAL COMMUNITY GROUPS TO FORM THE WAGNER AREA HEALTH & WELLNESS CONSORTIUM. THIS GROUP COMBINES RESOURCES TO EMPHASIZE YOUTH EDUCATION AND ACTIVITIES TO PROMOTE IMPROVED HEALTH AND WELLNESS NOW AND IN THE FUTURE.

## PART III, LINE 2:

BAD DEBT RECOVERIES AND DISCOUNTS APPLIED DURING THE COLLECTION PROCESS ARE RARE, BUT WHEN THEY DO OCCUR THEY ARE POSTED AGAINST THE BAD DEBT ACCOUNT.

## PART III, LINE 3:

THE ESTIMATED AMOUNT OF THE ORGANIZATION'S BAD DEBT EXPENSE ATTRIBUTABLE



**Part VI** Supplemental Information (Continuation)

TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY IS CALCULATED BASED ON THE PERCENTAGE OF INDIVIDUALS LIVING BELOW THE POVERTY LEVEL IN 2019. THEREFORE, 21.5% CAN REASONABLY BE CONSIDERED A COMMUNITY BENEFIT AS IT WOULD HAVE BEEN WRITTEN OFF TO CHARITY CARE.

PART III, LINE 4:

THE FOOTNOTE TO THE ORGANIZATION'S FINANCIAL STATEMENTS THAT DESCRIBES BAD DEBT EXPENSE IS ON PAGES 7 AND 8 OF THE ATTACHED AUDITED FINANCIAL STATEMENTS.

PART III, LINE 8:

MEDICARE ALLOWABLE COST OF CARE WAS CALCULATED FROM THE MEDICARE COST REPORT FOR THE FISCAL YEAR ENDING 6/30/2020.

MANY PATIENTS IN OUR SERVICE AREA QUALIFY FOR MEDICARE. THE FACILITY PROVIDES SERVICES TO THESE PATIENTS EVEN THOUGH MEDICARE REIMBURSEMENT IS NOT SUFFICIENT TO COVER THE COST OF PROVIDING THIS CARE. PROVIDING SERVICES TO THIS POPULATION PROMOTES ACCESS TO HEALTHCARE SERVICES WHICH ARE NEEDED IN OUR COMMUNITY, THEREBY PROVIDING A BENEFIT TO OUR COMMUNITY.

TOTAL REVENUE RECEIVED FROM MEDICARE AND THE MEDICARE ALLOWABLE COSTS ARE REPORTED FROM THE MEDICARE COST REPORT. THE MEDICARE COST REPORT IS COMPLETED BASED ON THE RULES AND REGULATIONS SET FORTH BY THE CENTERS FOR MEDICAID AND MEDICARE SERVICES.

PART III, LINE 9B:

THE COLLECTION PRACTICES AS SET FORTH IN THE POLICY REQUIRES THAT IF A PATIENT QUALIFIES FOR CHARITY CARE, NO BILL WILL BE SENT. INSTEAD, A

**Part VI** Supplemental Information (Continuation)

LETTER INDICATING THAT THE PATIENT'S BILL HAS BEEN COMPLETELY FORGIVEN  
WILL BE SENT. WHEN SENDING A BILL TO ANY PATIENT, THE ORGANIZATION SHALL  
INCLUDE ON THE BILL A STATEMENT THAT INDICATES THAT IF THE PATIENT MEETS  
CERTAIN INCOME REQUIREMENTS THE PATIENT MAY BE ELIGIBLE FOR A  
GOVERNMENT-SPONSORED PROGRAM OR FOR FINANCIAL ASSISTANCE FROM THE  
ORGANIZATION FOR HELP IN PAYING FOR THE SERVICES THAT WERE PROVIDED, AND A  
STATEMENT THAT PROVIDES THE PATIENT WITH AN ORGANIZATION CONTACT RESOURCE  
FROM WHICH THE PATIENT MAY OBTAIN INFORMATION ABOUT THE ORGANIZATION'S  
FINANCIAL ASSISTANCE POLICY FOR LOW-INCOME UNINSURED PATIENTS AND HOW TO  
APPLY FOR SUCH ASSISTANCE FOR THE PAYMENT OF SERVICES THAT WERE PROVIDED.  
IF THE PATIENT QUALIFIES FOR THE ORGANIZATION'S FINANCIAL ASSISTANCE  
POLICY FOR LOW-INCOME, UNINSURED PATIENTS AND IS COOPERATING WITH THE  
ORGANIZATION WITH REGARD TO EFFORTS TO SETTLE AN OUTSTANDING BILL WITHIN A  
REASONABLE TIME PERIOD, THE ORGANIZATION OR ITS AGENT SHALL NOT SEND, NOR  
INTIMATE THAT IT WILL SEND, THE UNPAID BILL TO ANY OUTSIDE COLLECTION  
AGENCY. AT SUCH TIME AS THE ORGANIZATION SENDS THE UNCOLLECTED ACCOUNT TO  
AN OUTSIDE COLLECTION AGENCY, THE AMOUNT REFERRED TO THE AGENCY SHALL  
REFLECT THE REDUCED-PAYMENT LEVEL FOR WHICH THE PATIENT WAS ELIGIBLE UNDER  
THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY FOR LOW-INCOME UNINSURED  
PATIENTS. WCMH DOES NOT REPORT ANY DATA TO ANY OF THE CREDIT AGENCIES,  
HOWEVER, THE COLLECTION AGENCIES WCMH UTILIZES MAY REPORT TO THE CREDIT  
AGENCIES.

## PART VI, LINE 2:

IN ADDITION TO PREPARING A COMMUNITY HEALTH NEEDS ASSESSMENT DURING THE  
FISCAL YEAR ENDED JUNE 30, 2019, WCMH DETERMINES PATIENT NEEDS THROUGH  
CONSTANT COMMUNICATION WITH PATIENTS, PRIMARY AND SPECIALTY PROVIDERS, AND  
STATE AND FEDERAL GOVERNMENTAL HEALTH AGENCIES. WCMH STRIVES TO

**Part VI** Supplemental Information (Continuation)

CONSISTENTLY INVESTIGATE, ANALYZE, AND DETERMINE THE GREATEST NEEDS OF OUR COMMUNITY.

PART VI, LINE 3:

AT EACH POINT OF ADMISSION, NOTICES ARE POSTED STATING WCMH OFFERS FINANCIAL ASSISTANCE WITH CONTACT INFORMATION. REFERENCE TO THE POLICY IS GIVEN TO THE PATIENT UPON ADMISSION AND AGAIN WITH THE NOTICE/STATEMENT FOR PAYMENT, INCLUDING CONTACT INFORMATION. IF THE PATIENT EXPRESSES INTEREST IN FINANCIAL ASSISTANCE, A PATIENT ADVOCATE WILL ASSIST IN COMPLETING THE PROPER APPLICATION.

PART VI, LINE 4:

WAGNER IS A RURAL COMMUNITY LOCATED IN SOUTHERN CHARLES MIX COUNTY OF SOUTH DAKOTA WHICH HAS MANY HEALTH DISPARITIES WITH UNMET NEEDS. IF ONE LOOKS AT SOUTHERN CHARLES MIX COUNTY, THE AVERAGE INDIVIDUAL INCOME IS \$22,347 WITH THE MEDIAN FAMILY INCOME AT \$30,773. COMPARED TO THE NATIONAL AVERAGE OF \$34,103 AND \$62,843. SOUTHERN CHARLES MIX COUNTY HAS A POVERTY LEVEL OF 21.5% COMPARED TO 12.8% FOR SOUTH DAKOTA. COUNTY EDUCATION DEMOGRAPHICS INCLUDE 88.5% OF RESIDENTS HAVING A HIGH SCHOOL DEGREE AND 18.6% HOLDING A BACHELOR'S DEGREE IN COMPARISON TO THE NATIONAL AVERAGE OF 88% AND 32.1%. ACCORDING TO THE US CENSUS BUREAU MOST RECENT DATA, 32.7% OF RESIDENTS IN THE COUNTY ARE OF AMERICAN INDIAN DESCENT AS COMPARED TO 9.0% FOR SOUTH DAKOTA AND 1.3% NATIONALLY. THE WAGNER SERVICE AREA IS ALSO CONSIDERED A HEALTH PROFESSIONAL SHORTAGE AREA/LOW INCOME GEOGRAPHIC WITH ACCESS TO FEW PROVIDERS AND LONG DISTANCES BETWEEN OTHER RURAL COMMUNITIES. OUR SERVICE AREA INCLUDES A COMMUNITY CLINIC IN ADDITION TO THE WAGNER INDIAN HEALTH SERVICES CLINIC AND THE VA CLINIC. MANY CLINICS PROVIDE ONLY PRIMARY CARE SERVICES AND ARE OFTEN STAFFED BY NURSE

**Part VI** Supplemental Information (Continuation)

PRACTITIONERS AND PHYSICIAN ASSISTANTS. IN CASES WHERE MORE SPECIALIZED CARE IS NEEDED, PATIENTS HAVE THE OPTION TO TRAVEL TO YANKTON, SOUTH DAKOTA, WHICH IS AN 110 MILE ROUND TRIP OR TRAVEL 222 MILES ROUND TRIP TO SIOUX FALLS, SOUTH DAKOTA, WHICH IS ALSO THE AREA'S TERTIARY CARE HUB FOR ALL TYPES OF SPECIALTY CARE. WE ALSO FIND CHARLES MIX COUNTY, SD IN AN AREA IN WHICH THERE IS A HIGH PERCENTAGE OF UNINSURED UNDER THE AGE OF 65. ACCORDING TO THE US CENSUS BUREAU, OUR COUNTY INCLUDES 17% UNINSURED AS COMPARED TO 9.5% NATIONALLY.

PART VI, LINE 5:

WCMH PROVIDES COMMUNITY HEALTH IMPROVEMENT SERVICES WHICH INCLUDE: COMMUNITY CPR CLASSES; BLOOD PRESSURE SCREENINGS AT AREA EVENTS; AWARD SCHOLARSHIPS TO LOCAL HIGH SCHOOL GRADUATES; DAKOTA SENIOR MEAL DELIVERY FOR LOCAL ELDERLY IN OUR COMMUNITY; OPERATING AN EMERGENCY ROOM AVAILABLE TO ALL REGARDLESS OF ABILITY TO PAY EQUIPPED WITH THE LATEST TECHNOLOGY INCLUDING TELEMEDICINE.

AVERA HEALTH AND WCMH DEDICATE RESOURCES TO ENDEAVORS THAT MAKE A POSITIVE DIFFERENCE TO IMPROVE THE HEALTH OF THE COMMUNITIES THEY SERVE. THESE ACTIVITIES INCLUDE LEADERSHIP DEVELOPMENT AND TRAINING FOR COMMUNITY MEMBERS, ECONOMIC DEVELOPMENT, PHYSICAL IMPROVEMENTS IN THE COMMUNITY, CONTRIBUTIONS TO NONPROFIT COMMUNITY ORGANIZATIONS, NONPROFIT EVENT SPONSORSHIPS, DONATED MEDICAL SUPPLIES, COMMUNITY HEALTH EDUCATION AND SUPPORT GROUPS, HEALTH SCREENINGS, FLU-SHOT CLINICS, COMMUNITY HEALTH EDUCATION AND VARIOUS OTHER ACTIVITIES.

PART VI, LINE 6:

WCMH IS A MANAGED FACILITY OF AVERA HEALTH. AVERA HEALTH AND THE HOSPITAL

**Part VI** Supplemental Information (Continuation)

WORK COOPERATIVELY TO ENHANCE HEALTHCARE THROUGHOUT THE COMMUNITY SERVED BY THE HOSPITAL.

AS A MANAGED FACILITY, WCMH IS ABLE TO PARTICIPATE IN AVERA E-CARE SERVICES. THESE SERVICES INCLUDE AVERA E-EMERGENCY, E-PHARMACY, E-CONSULT, E-HOSPITALIST AND ESANE. THESE SERVICES ALLOW RURAL PATIENTS TO BE CARED FOR AT THEIR LOCAL HOSPITALS, PROVIDE RURAL HOSPITALS ACCESS TO IMMEDIATE SPECIALTY CARE AND SUPPORT, AND HELP REDUCE HEALTH CARE COSTS AND TRAVEL.

WCMH ALSO HAS ACCESS TO "BACK OFFICE" SUPPORT SERVICES, SUCH AS LEGAL CONSULTATION, QUALITY BENCHMARKING, CODING, COMPUTER SERVICES, CONTRACT NEGOTIATIONS, ADMINISTRATIVE CONSULTATION, GROUP PURCHASING, HUMAN RESOURCE ASSISTANCE AND MANY OTHER SERVICES. AVERA HEALTH IS ABLE TO PROVIDE THESE SERVICES TO WCMH AT A COST BELOW THAT WHICH THE HOSPITAL COULD OTHERWISE ACHIEVE. IN TURN, LOCAL CAREGIVERS ARE ABLE TO DEVOTE MORE RESOURCES TO PATIENT AND RESIDENT CARE.

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees  
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.  
 ▶ Attach to Form 990.  
 ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2019**

Open to Public Inspection

Name of the organization

**WAGNER COMMUNITY MEMORIAL HOSPITAL**

Employer identification number

**46-0226283**

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use   |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence   |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees     |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a? .....

**3** Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee   | <input type="checkbox"/> Written employment contract                                |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? .....
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....
- c** Participate in, or receive payment from, an equity-based compensation arrangement? .....
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

**5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? .....
- b** Any related organization? .....
- If "Yes" on line 5a or 5b, describe in Part III.

**6** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? .....
- b** Any related organization? .....
- If "Yes" on line 6a or 6b, describe in Part III.

**7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III .....

**8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III .....

**9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		<b>X</b>
<b>4b</b>		<b>X</b>
<b>4c</b>		<b>X</b>
<b>5a</b>		<b>X</b>
<b>5b</b>		<b>X</b>
<b>6a</b>		<b>X</b>
<b>6b</b>		<b>X</b>
<b>7</b>		<b>X</b>
<b>8</b>		<b>X</b>
<b>9</b>		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2019

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) MIKEALA KOENIG PHYSICIAN	(i)	225,513.	0.	0.	0.	29,926.	255,439.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) BRYAN SLABA CEO/ADMINISTRATOR	(i)	207,907.	0.	1,898.	10,445.	9,703.	229,953.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) JESSICA VANDERHAM NURSE PRACTITIONER	(i)	141,862.	0.	0.	4,534.	24,786.	171,182.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) LINDSEY NEDVED NURSE PRACTITIONER	(i)	130,399.	0.	0.	4,095.	15,526.	150,020.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**Part III Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

**SCHEDULE J, PART II:**

**BRYAN SLABA, CEO/ADMINISTRATOR, IS COMPENSATED THROUGH AN ARRANGEMENT  
WITH AVERA SACRED HEART HOSPITAL, 501 SUMMIT STREET, YANKTON, SD 57078.**



SCHEDULE L

Transactions With Interested Persons

OMB No. 1545-0047

(Form 990 or 990-EZ)

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.

2019

Open To Public Inspection

Department of the Treasury Internal Revenue Service

Attach to Form 990 or Form 990-EZ.

Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization

WAGNER COMMUNITY MEMORIAL HOSPITAL

Employer identification number

46-0226283

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and section 501(c)(29) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

Table with 4 main columns: (a) Name of disqualified person, (b) Relationship between disqualified person and organization, (c) Description of transaction, and (d) Corrected? (Yes/No).

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization \$

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

Table with 10 main columns: (a) Name of interested person, (b) Relationship with organization, (c) Purpose of loan, (d) Loan to or from the organization? (To/From), (e) Original principal amount, (f) Balance due, (g) In default? (Yes/No), (h) Approved by board or committee? (Yes/No), and (i) Written agreement? (Yes/No).

Total \$

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

Table with 5 columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of assistance, (d) Type of assistance, and (e) Purpose of assistance.

**Part IV Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
JESSICA PETERS	FAMILY RELATIONSHIP	60,663.	EMPLOYEE CO		X

**Part V Supplemental Information.**

Provide additional information for responses to questions on Schedule L (see instructions).

**SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:**

(A) NAME OF PERSON: JESSICA PETERS

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY RELATIONSHIP WITH CHAD PETERS, BOARD MEMBER

(D) DESCRIPTION OF TRANSACTION: EMPLOYEE COMPENSATION

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**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2019**

Open to Public  
Inspection

Name of the organization

WAGNER COMMUNITY MEMORIAL HOSPITAL

Employer identification number

46-0226283

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

LEADERS TO CARE FOR THE NATIVE AMERICAN POPULATION.

WCMH EXPERIENCED 391 INPATIENT DAYS, 641 SWING BED DAYS, 2,128

EMERGENCY DEPARTMENT VISITS, AND 2,507 CLINIC VISITS.

FORM 990, PART VI, SECTION A, LINE 2:

DIRECTOR MITCHEL BREEN AND DAVID KOTAB HAVE A BUSNIESS RELATIONSHIP.

FORM 990, PART VI, SECTION A, LINE 6:

THERE IS ONLY ONE CLASS OF MEMBER. ANY INDIVIDUAL, PARTNERSHIP, CORPORATION OR ASSOCIATION HAVING LEGAL ENTITY, WHO HAS CONTRIBUTED \$25 OR MORE TO THE CORPORATION WITH REQUEST OF MEMBERSHIP AT THE TIME OF DONATION, SHALL BE A MEMBER THEREOF AND EACH MEMBER SHALL HAVE ONE VOTE AT ALL MEETINGS OF THE MEMBERS OF THE CORPORATION. MEMBERSHIP OF ANY INDIVIDUAL WHO SHALL BECOME DECEASED SHALL REVERT BY REQUEST TO THAT INDIVIDUAL'S NEXT OF KIN OR ACCORDING TO HIS WILL. ANY MEMBER WHO HAS CONTRIBUTED \$50 OR MORE SHALL HAVE THE RIGHT TO TRANSFER SUCH MEMBERSHIP TO HIS OR HER SPOUSE. SAID TRANSFER TO BE APPROVED BY THE BOARD OF DIRECTORS. THE BASIS FOR MEMBERSHIP IS ON NON-REFUNDABLE CONTRIBUTIONS.

FORM 990, PART VI, SECTION A, LINE 7A:

ONLY ONE CLASS OF MEMBER EXISTS. AT THE ANNUAL MEETING, MEMBERS APPROVE THE MINUTES OF THE LAST ANNUAL MEETING, ELECT BOARD MEMBERS OF THE WAGNER COMMUNITY MEMORIAL HOSPITAL, AND VOTE ON OTHER BUSINESS THAT MAY BE PROPERLY BROUGHT BEFORE THE MEMBERS.

Name of the organization

WAGNER COMMUNITY MEMORIAL HOSPITAL

Employer identification number

46-0226283

FORM 990, PART VI, SECTION A, LINE 7B:

AMENDMENTS TO THE ARTICLES OF INCORPORATION AND BYLAWS REQUIRE MEMBER APPROVAL.

FORM 990, PART VI, SECTION A, LINE 8B:

WAGNER COMMUNITY MEMORIAL HOSPITAL DOES NOT HAVE COMMITTEES.

FORM 990, PART VI, SECTION B, LINE 11B:

THE CEO WILL REVIEW THE 990. AFTER THE FORM 990 HAS BEEN REVIEWED, IT WILL BE FORWARDED TO THE MEMBERS OF THE GOVERNING BODY FOR THEIR REVIEW.

FORM 990, PART VI, SECTION B, LINE 12C:

DIRECTORS AND MANAGEMENT OFFICIALS ARE REQUIRED TO COMPLETE ANNUAL CONFLICT OF INTEREST QUESTIONNAIRES WHICH ARE MONITORED AND TRACKED. THE QUESTIONNAIRES ARE REVIEWED BY THE BOARD FOR ANY POSSIBLE CONFLICTS WITH ANY NOTED CONFLICTS BEING BROUGHT TO MANAGEMENT'S ATTENTION. INQUIRIES OF CONFLICTS ARE ALSO REVIEWED AT THE MONTHLY BOARD MEETINGS. AFTER A CONFLICT IS DEEMED TO EXIST, THE BOARD DETERMINES THE LEVEL OF PARTICIPATION OF THE POTENTIAL CONFLICTING MEMBER.

FORM 990, PART VI, SECTION B, LINE 15A:

AVERA SACRED HEART HEALTH SERVICES AND WAGNER COMMUNITY MEMORIAL HOSPITAL COMPENSATION COMMITTEE USE COMPARABILITY DATA TO DETERMINE APPROPRIATE COMPENSATION OF THE CEO BASED ON EXPERIENCE AND PERFORMANCE. THE COMPENSATION AMOUNT IS APPROVED ANNUALLY BY THE BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION C, LINE 19:

Name of the organization

WAGNER COMMUNITY MEMORIAL HOSPITAL

Employer identification number

46-0226283

DOCUMENTS ARE MADE AVAILABLE UPON REQUEST.

FORM 990, PART VII

IN ADDITION TO HIS ROLE AS CEO/ADMINISTRATOR, BRYAN SLABA HAS OVERSIGHT  
OF FINANCIAL OPERATIONS OF THE ENTITY.

FORM 990, PART IX, LINE 11G, OTHER FEES:

CONTRACTED FEES:

PROGRAM SERVICE EXPENSES	762,085.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	762,085.

OTHER PURCHASED SERVICES:

PROGRAM SERVICE EXPENSES	456,399.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	456,399.

INFO TECHNOLOGY CONSULTING FEES:

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	176,273.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	176,273.

ADMINISTRATION CONSULTING FEES:

PROGRAM SERVICE EXPENSES	0.
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# Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury  
Internal Revenue Service

▶ **File a separate application for each return.**  
▶ **Go to [www.irs.gov/Form8868](http://www.irs.gov/Form8868) for the latest information.**

**Electronic filing (e-file).** You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits](http://www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits).

**Automatic 6-Month Extension of Time.** Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

<b>Type or print</b>	Name of exempt organization or other filer, see instructions. <b>WAGNER COMMUNITY MEMORIAL HOSPITAL</b>	Taxpayer identification number (TIN) <b>46-0226283</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. <b>513 THIRD STREET SW</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>WAGNER, SD 57380-0280</b>	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**LISA WEISSER**

- The books are in the care of ▶ **513 3RD STREET SW - WAGNER, SD 57380-0280**  
Telephone No. ▶ **605-384-3611** Fax No. ▶ \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and TINs of all members the extension is for.

**1** I request an automatic 6-month extension of time until **MAY 17, 2021**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
▶  calendar year \_\_\_\_\_ or  
▶  tax year beginning **JUL 1, 2019**, and ending **JUN 30, 2020**.

**2** If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

<b>3a</b> If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	0.
<b>b</b> If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	0.
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0.

**Caution:** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Electronic Filing PDF Attachment





Financial Statements  
June 30, 2020 and 2019

# Wagner Community Memorial Hospital

Wagner Community Memorial Hospital

Table of Contents

June 30, 2020 and 2019

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Independent Auditor's Report .....	1
Financial Statements	
Balance Sheets .....	3
Statements of Operations and Changes in Net Assets .....	5
Statements of Cash Flows .....	6
Notes to Financial Statements .....	7



## Independent Auditor's Report

The Board of Directors  
Wagner Community Memorial Hospital  
Wagner, South Dakota

### Report on the Financial Statements

We have audited the accompanying financial statements of Wagner Community Memorial Hospital (Hospital), which comprise the balance sheets as of June 30, 2020 and 2019, and the related statements of operations and changes in net assets and cash flows for the years 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 an opinion on these financial statements based on our audits. We conducted our audits 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wagner Community Memorial Hospital as of June 30, 2020 and 2019, and the results of its operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The image shows a handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Sioux Falls, South Dakota  
November 17, 2020

Wagner Community Memorial Hospital

Balance Sheets

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 361,419	\$ 670,458
Receivables		
Patient, net	2,163,415	1,372,421
Estimated third-party payor settlements	266,764	-
Other	170,459	109,335
Supplies	152,319	144,223
Prepaid expenses	47,956	69,445
Total current assets	<u>3,162,332</u>	<u>2,365,882</u>
Assets Limited as to Use		
By board for capital improvements and debt redemption	8,145,046	4,797,482
Under loan agreement	140,256	140,256
Total assets limited as to use	<u>8,285,302</u>	<u>4,937,738</u>
Property and Equipment, Net	<u>4,924,942</u>	<u>4,891,579</u>
Other Assets		
Other receivables	287,085	293,438
Total assets	<u>\$ 16,659,661</u>	<u>\$ 12,488,637</u>

Wagner Community Memorial Hospital

Balance Sheets

June 30, 2020 and 2019

	2020	2019
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 603,506	\$ 132,386
Estimated third-party payor settlements	-	93,400
Accounts payable - trade	127,354	170,219
Accrued expenses		
Salaries and wages	240,331	234,375
Vacation	289,960	187,110
Payroll taxes and other	56,130	48,665
Interest	5,242	10,149
Paycheck protection program	1,000,000	-
Refundable advance	3,305,055	-
Total current liabilities	5,627,578	876,304
Long-Term Debt, Net	3,304,218	4,547,160
Total liabilities	8,931,796	5,423,464
Net Assets		
Without donor restrictions	7,727,865	7,065,173
Total liabilities and net assets	\$ 16,659,661	\$ 12,488,637

Wagner Community Memorial Hospital  
 Statements of Operations and Changes in Net Assets  
 Years Ended June 30, 2020 and 2019

	2020	2019
Revenues, Gains, and Other Support Without Donor Restrictions		
Net patient service revenue	\$ 10,959,866	\$ 10,141,213
Provision for bad debts	(384,309)	(519,005)
Net patient service revenue less provision for bad debts	10,575,557	9,622,208
Other revenue	438,465	255,777
Total revenues, gains, and other support	11,014,022	9,877,985
Expenses		
Salaries and wages	5,812,880	5,086,183
Employee benefits	1,001,552	805,874
Medical fees	86,817	78,238
Purchased services	713,225	756,068
Supplies	1,052,854	938,407
Repairs and maintenance	272,509	289,665
Insurance	53,270	52,704
Other	638,579	619,949
Utilities and communication	162,086	170,655
Depreciation and amortization	574,959	525,126
Interest	207,686	217,050
Total expenses	10,576,417	9,539,919
Operating Income	437,605	338,066
Other Income		
Investment income	223,062	187,925
Contributions	2,025	1,685
Total other income	225,087	189,610
Change in Net Assets Without Donor Restrictions	662,692	527,676
Net Assets, Beginning of Year	7,065,173	6,537,497
Net Assets, End of Year	\$ 7,727,865	\$ 7,065,173

# Wagner Community Memorial Hospital

## Statements of Cash Flows

Years Ended June 30, 2020 and 2019

	2020	2019
Operating Activities		
Change in net assets	\$ 662,692	\$ 527,676
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	574,959	525,126
Interest expense attributable to amortization of debt issuance costs	540	540
Provision for bad debts	384,309	519,005
Net realized and unrealized gains and losses on investments	(214,849)	(179,969)
Changes in assets and liabilities		
Receivables	(1,590,238)	841
Supplies	(8,096)	(16,729)
Prepaid expenses	21,489	11,868
Accounts payable	(42,865)	72,217
Accrued expenses	111,364	155,105
Paycheck protection program	1,000,000	-
Refundable advance	3,305,055	-
Net Cash from Operating Activities	4,204,360	1,615,680
Investing Activities		
Purchase of property and equipment	(608,322)	(202,509)
Purchase of assets limited as to use	(3,982,715)	(1,350,000)
Sales and maturities of assets limited as to use	850,000	301,580
Net Cash used for Investing Activities	(3,741,037)	(1,250,929)
Financing Activities		
Proceeds from issuance of long-term debt	500,075	-
Principal payments on long-term debt	(1,272,437)	(130,092)
Net Cash used for Financing Activities	(772,362)	(130,092)
Net Change in Cash and Cash Equivalents	(309,039)	234,659
Cash and Cash Equivalents, Beginning of Year	670,458	435,799
Cash and Cash Equivalents, End of Year	\$ 361,419	\$ 670,458
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 212,053	\$ 212,361



## **Note 1 - Organization and Significant Accounting Policies**

### **Organization**

Wagner Community Memorial Hospital (Hospital) operates a 20-bed acute care hospital, located in Wagner, South Dakota, and a rural health clinic located in Wagner, South Dakota. The Hospital is organized as a South Dakota nonprofit corporation and is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code.

### **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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### **Cash and Cash Equivalents**

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding assets limited as to use.

### **Patient Receivables**

Patient receivables are uncollateralized patient and third-party payor obligations. The Hospital does not charge interest on unpaid patient receivables. Payments of patient receivables are allocated to the specific claims identified in the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary, for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely. For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Hospital's process for calculating the allowance for doubtful accounts for self-pay patients has not significantly changed from June 30, 2019 to June 30, 2020. The Hospital does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write offs from third-party payors. The Hospital has not significantly changed its charity care or uninsured discount policies during fiscal years 2020 or 2019. Patient receivables are shown net of estimated uncollectibles, charity care and other allowances of approximately \$3,139,000 and \$1,832,000 as of June 30, 2020 and 2019, of which approximately \$768,000 and \$592,000 was recorded for the allowance for doubtful accounts.

### **Notes Receivable**

The Hospital issues notes to employees and physicians as part of its recruitment process. Notes are repayable over five years and bear an interest rate of 18%. The notes are issued with forgiveness provisions over the life of the note to encourage retention. Based on historical analysis, it is anticipated that the balance of the notes will be forgiven.

At June 30, 2020 and 2019, notes receivable due to the Hospital totaled \$434,962 and \$368,656 and are included in other current and long-term receivables within the balance sheets.

### **Supplies**

Supplies are stated at lower of cost (first-in, first-out) or net realizable value.

### **Assets Limited as to Use**

Assets limited as to use include assets set aside by the Board of Directors for funded depreciation to be used for future capital expenditures, over which the Board retains control and may, at its discretion, subsequently use for other purposes and assets restricted as required under a loan agreement. Assets limited as to use that are available for obligations classified as current liabilities would be reported in current assets.

### **Investments and Investment Income**

Investments with readily determinable market values are stated at fair value. The fair value of all debt and equity securities with readily determinable fair values are based on quotations obtained from national and foreign securities exchanges. All investments are classified as trading securities, therefore investment income or loss (including interest income, dividends, net changes in unrealized gains and losses, and net realized gains and losses) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law.

The Hospital, through its affiliation with Avera Health, participates in the Avera Pooled Investment Fund, a fund administered by Avera Health. The Pooled Investment Fund has a portion of its holdings in alternative investments, which are not readily marketable. These alternative investments include partnerships and other interests that invest in hedge funds, real asset funds, and private equity/venture capital funds, among others. Many of these alternative investments have fair values that are determined using the net asset value (NAV) provided by the investment manager. NAV is a practical expedient to determine the fair value of investments that do not have readily determinable fair values and prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Investment income, including interest, dividends, realized gains and losses, and unrealized gains and losses are allocated to participants of the Avera Pooled Investment Fund based upon their pro rata share of the investments.

### **Fair Value Measurements**

The Hospital has determined the fair value of certain assets and liabilities in accordance with generally accepted accounting principles, which provides a framework for measuring fair value.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

### **Property and Equipment**

Property and equipment acquisitions in excess of \$5,000 are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements. The estimated useful lives of property and equipment are as follows:

Land improvements	10 - 15 years
Buildings and improvements	5 - 40 years
Equipment	5 - 20 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to net assets without donor restrictions, and are excluded from revenues in excess of expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when donated or when acquired long-lived assets are placed in service.

### **Impairment of Long-lived Assets**

The Hospital considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying values of assets are appropriate. No impairment was identified for the years ended June 30, 2020 and 2019.

### **Income Taxes**

The Hospital is organized as a South Dakota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Hospital is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Hospital is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Hospital has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990T) with the IRS.

The Hospital believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Hospital would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

### **Net Assets with Donor Restrictions**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At June 30, 2020 and 2019, the Hospital did not have any net assets with donor restrictions.

### **Revenues in Excess of Expenses**

Revenues in excess of expenses excludes transfers of assets to and from related parties for other than goods and services, and contributions of long-lived assets, including assets acquired using contributions which were restricted by donors.

### Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates, 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. Payments from third-party payors and patients received in advance are deferred to the applicable period in which the related services are performed.

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered, as noted above. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates, if negotiated. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Net patient service revenue, before the provision for bad debts, recognized for the years ended June 30, 2020 and 2019 from these major payor sources, is as follows:

	<u>2020</u>	<u>2019</u>
Net patient service revenue		
Third-party payors	\$ 10,514,555	\$ 9,543,669
Self-pay	<u>445,311</u>	<u>597,544</u>
	<u>\$ 10,959,866</u>	<u>\$ 10,141,213</u>

### Charity Care

To fulfill its mission of community service, the Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Since the Hospital does not pursue collection of these amounts, they are not reported as patient service revenue. The estimated cost of providing these services was approximately \$299,000 and \$251,900 for the years ended June 30, 2020 and 2019, calculated by multiplying the ratio of cost to gross charges for the Hospital by the gross uncompensated charges associated with providing charity care to its patients.

**Other Revenue**

The Hospital participates in the 340B Drug Pricing Program (340B Program) enabling the Hospital to receive discounted prices from drug manufacturers on outpatient pharmaceutical purchases and enter into certain contracts with unrelated pharmacies who provide certain prescription drugs to Hospital patients who receive rural health clinic and outpatient services. This program is overseen by the Health Resources and Services Administration (HRSA) Office of Pharmacy Affairs (OPA). HRSA conducts routine audits of these programs at health care organizations and monitors program compliance. Laws and regulations governing the 340B Program are complex and subject to interpretation and changes. During the years ended June 30, 2020 and 2019, respectively, the Hospital recognized \$174,501 and \$172,342 of other revenue from operations related to its 340B Program contract. Other revenue also includes income from rentals, operating grants and other operating transactions. See Note 12 for additional information regarding the Provider Relief Funds received and recognized during the year ended June 30, 2020.

**Donor-Restricted Gifts**

The Hospital reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of changes in net assets as net assets released from restrictions.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**Advertising Costs**

The Hospital expenses advertising costs as they are incurred. Advertising costs for the years ended June 30, 2020 and 2019 were \$30,922 and \$26,123.

**Functional Allocation of Expenses**

The financial statements report categories that are attributed to program service activities or supporting activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The functional expenses report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as depreciation and amortization, interest, and other occupancy costs are allocated to a function based on a square-footage or units-of-service basis while the remainder of expenses are allocated on the basis of estimates of time and effort. Note 9 presents the natural classification detail of expenses by function.

### Change in Accounting Policy

As of July 1, 2019, the Hospital adopted the provisions of Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash*. This update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents, by including amounts generally described as restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Retrospective application of the amendment is required. The Hospital has adopted this standard as management believes the standard improves the usefulness and understandability of the Hospital's financial reporting.

### Subsequent Events

The Hospital has evaluated subsequent events through November 17, 2020, the date which the financial statements were available to be issued.

### Note 2 - Net Patient Service Revenue

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

**Medicare** - The Hospital is licensed as a Critical Access Hospital (CAH). The Hospital is reimbursed for most inpatient and outpatient services under a cost-based methodology with final settlement determined after submission of annual cost reports by the Hospital and are subject to audits thereof by the Medicare Administrative Contractor (MAC). Certain services are subject to cost limits or fee schedules. The Hospital's Medicare cost reports have been audited by the MAC through the year ended June 30, 2017.

**Medicaid** - Services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per service. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors.

**Wellmark – Blue Cross:** Inpatient services rendered to Blue Cross subscribers are paid based on prospectively determined rates per discharge. Outpatient services rendered to Blue Cross subscribers are paid at prospectively determined rates per ambulatory encounter or visit.

The Hospital has also entered into payment agreements with certain commercial insurance carriers and other organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Revenue from Medicare and Medicaid programs account for approximately 44% and 20% of the Hospital's net patient service revenue for the year ended June 30, 2020 and 45% and 20% for the year ended June 30, 2019. Laws and regulations governing Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

**Note 3 - Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 361,419	\$ 670,458
Accounts receivable, net	2,163,415	1,372,421
Estimated third-party settlements	266,764	-
Assets limited as to use		
By board for capital improvements and debt redemption	<u>8,145,046</u>	<u>4,797,482</u>
	<u>\$ 10,936,644</u>	<u>\$ 6,840,361</u>

The Hospital's goal is to maintain financial assets and cash flow to meet all operating expenses. As part of its liquidity plan, excess cash is invested in pooled investments. Assets limited as to use that are considered available for general expenditure consist of amounts designated by the Board for future capital improvements. Although the Hospital does not intend to use these funds for general expenditures, these amounts could be made available if necessary.

**Note 4 - Investments and Investment Income****Assets Limited as to Use**

The composition of assets limited as to use at June 30, 2020 and 2019, is shown in the following table:

	<u>2020</u>	<u>2019</u>
By Board for capital improvements and debt redemption		
Interest in Pooled Investment Fund*	<u>\$ 8,145,046</u>	<u>\$ 4,797,482</u>
Under loan agreement		
Interest in Pooled Investment Fund*	<u>\$ 140,256</u>	<u>\$ 140,256</u>

**Pooled Investment Fund\***

The Hospital is a participant in the Avera Pooled Investment Fund, a fund administered by Avera Health that is maintained for the benefit of facilities that are sponsored, operated, or managed by Avera Health. Investments are made in conformity with the objectives and guidelines of the Avera Health Pooled Investment Committee. Within the fund, facilities share in a pool of investments that are managed by various fund managers. Asset valuation and income and losses of the fund are allocated to participating members based upon their pro rata share of the investments. Substantially all pooled investment holdings are recorded at fair value, with the exception of certain alternative investments.



# Wagner Community Memorial Hospital

Notes to Financial Statements

June 30, 2020 and 2019

As of June 30, 2020 and 2019, the Avera Pooled Investment Fund assets consisted of the following types of investments:

	2020	2019
Equity mutual funds	28.9%	36.9%
Non-publicly traded alternative investments		
Hedge fund	12.4%	17.4%
Real asset	1.2%	1.6%
Fixed income mutual funds	17.0%	17.6%
Cash and short-term investments	23.9%	7.1%
Publicly traded equity securities	5.8%	6.2%
Foreign equities	4.2%	5.3%
Corporate bonds	3.9%	4.7%
U.S. government issues	1.4%	2.0%
Other fixed income	1.3%	1.2%
	100%	100%

## Investment Income

Investment income and gains and losses on assets limited as to use and cash equivalents consist of the following for the years ended June 30, 2020 and 2019:

	2020	2019
Other Income		
Interest income	\$ 7,187	\$ 7,956
Realized gains and losses on investments, net	97,183	148,782
Change in unrealized gains and losses on investments	118,692	31,187
Total investment income	\$ 223,062	\$ 187,925

Wagner Community Memorial Hospital

Notes to Financial Statements

June 30, 2020 and 2019

**Note 5 - Property and Equipment**

A summary of property and equipment at June 30, 2020 and 2019, is as follows:

	2020		2019	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 4,247	\$ -	\$ 4,247	\$ -
Land improvements	342,252	217,047	342,252	187,792
Buildings and improvements	8,864,022	5,082,201	8,821,481	4,747,145
Equipment	3,461,701	2,448,032	3,314,075	2,655,539
	\$ 12,672,222	\$ 7,747,280	\$ 12,482,055	\$ 7,590,476
Property and equipment, net		\$ 4,924,942		\$ 4,891,579

**Note 6 - Leases**

The Hospital leases certain equipment under noncancelable long-term lease agreements. The capital lease assets consist of:

	2020	2019
Equipment	\$ 275,751	\$ 275,751
Less accumulated amortization (included as depreciation and amortization in the accompanying financial statements)	(170,541)	(143,363)
	\$ 105,210	\$ 132,388

Minimum future lease payments for the capital leases are as follows:

Years Ending June 30,	Capital Leases
2020	\$ 45,306
2021	21,225
2022	10,613
	77,144
Less interest	(3,920)
Present value of minimum lease payments (Note 7)	\$ 73,224

Wagner Community Memorial Hospital

Notes to Financial Statements

June 30, 2020 and 2019

**Note 7 - Long Term Debt**

	2020	2019
USDA Rural Development Program notes payable, fixed interest rate of 4.5%, monthly principal and interest payments of \$5,508 through December 30, 2048	\$ 1,056,946	\$ 1,075,036
Notes payable, fixed interest rate of 5.0% (effective interest rate of 5.08%), monthly principal and interest payments of \$6,697 through June 19, 2048	962,560	993,150
Unamortized debt issuance costs	(15,222)	(15,762)
USDA Rural Development Program notes payable, fixed interest rate of 3.75%, monthly principal and interest payments of \$6,180 through December 8, 2050	1,345,160	1,368,402
Notes payable, fixed interest rate of 5.0%, monthly principal and interest payments of \$6,110 through December 1, 2050	-	1,140,626
Notes payable, fixed interest rate of 3.0%, monthly principal and interest payments of \$9,000 through April 18, 2025	485,056	-
Capitalized lease obligations - Note 6	73,224	118,094
Less current maturities	3,907,724 (603,506)	4,679,546 (132,386)
Total long-term debt, less current maturities and unamortized debt issuance costs	\$ 3,304,218	\$ 4,547,160

Long-term debt maturities are as follows:

	Years Ending June 30,
2021	\$ 603,506
2022	99,463
2023	93,398
2024	86,621
2025	90,704
Thereafter	2,949,254
	3,922,946
Less unamortized debt issuance costs	(15,222)
	\$ 3,907,724

Under the terms of the USDA note payable agreements, the Hospital is required to maintain certain restricted deposits. Such deposits are included with assets limited as to use in the financial statements. Substantially all of the Hospital's assets at June 30, 2020 are pledged as collateral for debt obligations.

The Hospital's debt agreements contain certain financial and other covenants. Management believes the Hospital is in compliance with all debt covenants as of June 30, 2020 and 2019.

Unamortized debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which approximates the effective interest method. Amortization of unamortized debt issuance costs is included in interest expense on the financial statements.

#### Note 8 - Benefit Plan

The Hospital has a defined contribution pension plan under which employees become participants upon reaching age 18 and completion of one year of service. The plan calls for both the Hospital and the employee to deposit with a plan trustee 3% of gross wages. Total pension plan expense for the years ended June 30, 2020 and 2019, was \$103,289 and \$85,018.

#### Note 9 - Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services by functional class for the year ended June 30, 2020 are as follows:

	Health Care Services		General and Administrative	Total
	Clinic Services	Hospital Services		
Salaries and wages	\$ 759,082	\$ 4,370,907	\$ 682,891	\$ 5,812,880
Employee benefits	130,789	753,100	117,663	1,001,552
Medical fees	10,500	76,317	-	86,817
Purchased services	12,976	699,287	962	713,225
Supplies	28,152	976,404	48,298	1,052,854
Repairs and maintenance	20,947	218,464	33,098	272,509
Insurance	-	-	53,270	53,270
Other	11,525	141,273	485,781	638,579
Utilities and communication	18,941	133,494	9,652	162,086
Depreciation and amortization	121,770	407,181	46,008	574,959
Interest	97,588	110,098	-	207,686
	<u>\$ 1,212,270</u>	<u>\$ 7,886,525</u>	<u>\$ 1,477,623</u>	<u>\$ 10,576,417</u>

## Wagner Community Memorial Hospital

Notes to Financial Statements

June 30, 2020 and 2019

Expenses related to providing these services by functional class for the year ended June 30, 2019 are as follows:

	Health Care Services		General and Administrative	Total
	Clinic Services	Hospital Services		
Salaries and wages	\$ 611,688	\$ 3,798,712	\$ 675,783	\$ 5,086,183
Employee benefits	96,918	601,532	107,424	805,874
Medical fees	16,500	61,738	-	78,238
Purchased services	22,854	733,214	-	756,068
Supplies	61,316	836,043	41,048	938,407
Repairs and maintenance	19,763	229,757	40,145	289,665
Insurance	-	-	52,704	52,704
Other	22,540	141,007	456,402	619,949
Utilities and communication	19,296	140,935	10,424	170,655
Depreciation and amortization	126,936	361,352	36,838	525,126
Interest	99,893	117,157	-	217,050
	<u>\$ 1,097,704</u>	<u>\$ 7,021,447</u>	<u>\$ 1,420,768</u>	<u>\$ 9,539,919</u>

### Note 10 - Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from third-party payors and patients at June 30, 2020 and 2019 was as follows:

	2020	2019
Self pay	14%	18%
Medicare	30%	30%
Indian Health Services	37%	26%
Commercial insurance	14%	22%
Medicaid	5%	4%
	<u>100%</u>	<u>100%</u>

The Hospital's cash balances are maintained in various bank deposit accounts. At times during the years ended June 30, 2020 and 2019, the balances of these deposits were in excess of federally insured limits.

## **Note 11 - Contingencies**

### **Malpractice Insurance**

The Hospital has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of \$1 million per claim and \$3 million annual aggregate. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured.

### **Litigations, Claims, and Assessments**

The Hospital is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. In the opinion of management, the ultimate settlement of litigation, claims, and disputes in process will not be material to the financial position of the Hospital.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity has increased, with respect to, investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patient services. Management believes that the Hospital is in substantial compliance with current laws and regulations.

### **COVID-19 Pandemic**

During 2020, the world-wide coronavirus pandemic impacted national and global economies. The Hospital is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and future full impact to the Hospital is not known.

**Note 12 - Provider Relief Funds**

The Hospital received \$3,481,998 of Coronavirus Aid, Relief, and Economic Security (CARES) Act Provider Relief Funds administered by the Department of Health and Human Services (HHS). The funds are subject to terms and conditions imposed by HHS. Among the terms and conditions is a provision that payments will only be used to prevent, prepare for, and respond to coronavirus and shall reimburse the recipient only for healthcare-related expenses or lost revenues that are attributable to coronavirus. Recipients may not use the payments to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse. HHS currently has a deadline to incur eligible expenses of June 30, 2021. Unspent funds will be expected to be repaid.

These funds are recorded as a refundable advance when received and are recognized as revenues in the accompanying statements of operations as all terms and conditions are considered met. The terms and conditions are subject to interpretation and future clarification. In addition, this program may be subject to oversight, monitoring and audit. Failure by a provider that received a payment from the Provider Relief Fund to comply with any term or condition can subject the provider to recoupment of some or all of the payment. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

As of June 30, 2020, the Hospital had a total refundable advance balance of \$3,205,055, which was included in current liabilities on the accompanying balance sheet. During the year ended June 30, 2020, the Hospital recognized \$176,944 as revenue, included as other revenue on the statement of operations.

**Note 13 - Paycheck Protection Program**

The Hospital was granted a \$1,000,000 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Hospital is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Hospital has recorded a note payable and will record the forgiveness upon being legally released from the loan obligation by the SBA. No forgiveness income has been recorded for the year ended June 30, 2020. The Hospital will be required to repay any remaining balance, plus interest accrued at 1%, in monthly payments commencing upon notification of forgiveness or partial forgiveness.