

MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION

Financial Statements

For the Years Ended December 31, 2025 and 2024



MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
(A Component Unit of La Crosse County, Wisconsin)

FINANCIAL STATEMENTS
December 31, 2025 and 2024

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Independent Auditors' Report

To the Board of Directors of
Mississippi Valley Health Services Commission

Opinion

We have audited the accompanying financial statements of Mississippi Valley Health Services Commission (MVHS), a component unit of the La Crosse County, Wisconsin, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise MVHS's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of MVHS as of December 31, 2025 and 2024, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matters

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the MVHS's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Baker Tilly US, LLP

Madison, Wisconsin
June 24, 2026

MANAGEMENT'S DISCUSSION & ANALYSIS

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**MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
December 31, 2025**

SUMMARY

On July 1, 2009, Mississippi Valley Health Services Commission (MVHS) was formed through an Intergovernmental Agreement executed on behalf of eleven Wisconsin counties under Wisconsin Statute 66.0301. The counties involved in the original agreement were La Crosse, Monroe, Vernon, Crawford, Sauk, Juneau, Richland, Marinette, Rock, Chippewa, and Trempealeau. In 2010, Outagamie and Winnebago counties joined the commission, which brought the total to thirteen counties. The Commission was formed to jointly operate the former Lakeview Health Center, which was operated as an enterprise fund of La Crosse County. The purpose of MVHS is to provide nursing home services for the elderly and developmentally disabled in a regional area and to jointly share in the cost of providing these services based on the residency of each patient.

MVHS's comparative financial statements are presented in accordance with generally accepted accounting principles. The audited statements cover the years ended December 31, 2025 and 2024.

FINANCIAL RESULTS

- MVHS reported net position of \$5,759,481 at December 31, 2025 compared to \$5,306,432 at December 31, 2024. At the end of 2025, MVHS had a net pension liability of \$346,800 compared to \$323,619 at December 31, 2024.
- Operating revenues for the year ended December 31, 2025, were \$9,422,224, while total revenues for the year ended December 31, 2024 were \$9,470,027.
- Operating expenses for the year ended December 31, 2025 were \$9,751,969, while operating expenses for the year ended December 31, 2024 were \$9,477,779.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to MVHS's financial statements. The financial statements are comprised of three components: financial statements, notes to the financial statements, and required supplementary information.

The statement of net position presents the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of MVHS, with the difference reported as net position. Over time, increases or decrease in net position may serve as a useful indicator of whether the financial position of MVHS is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents how MVHS's net position changed during the years ended December 31, 2025 and 2024.

**MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
December 31, 2025**

STATEMENTS OF NET POSITION

A comparative summary of MVHS's Statements of Net Position follows below:

**Condensed Statements of Net Position
December 31, 2025, 2024, and 2023**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current assets	\$ 5,427,728	\$ 4,846,338	\$ 4,578,454
Current restricted assets	<u>11,475</u>	<u>9,517</u>	<u>9,592</u>
Total assets	<u>5,439,203</u>	<u>4,855,855</u>	<u>4,588,046</u>
Deferred outflows of resources	<u>2,870,697</u>	<u>3,695,761</u>	<u>5,226,363</u>
Current liabilities	807,579	819,875	805,917
Noncurrent liabilities	<u>346,800</u>	<u>323,619</u>	<u>1,203,791</u>
Total liabilities	<u>1,154,379</u>	<u>1,143,494</u>	<u>2,009,708</u>
Deferred inflows of resources	<u>1,396,040</u>	<u>2,101,690</u>	<u>2,851,644</u>
Net position:			
Unrestricted	<u>5,759,481</u>	<u>5,306,432</u>	<u>4,953,057</u>
Total net position	<u>\$ 5,759,481</u>	<u>\$ 5,306,432</u>	<u>\$ 4,953,057</u>

At December 31, 2025, 2024, and 2023 assets were primarily 1) accounts receivables from governments and patients for services totaling \$1,023,017, \$864,925, and \$823,909; and 2) equity in pooled and other cash held by La Crosse County for cash management services totaling \$4,416,186, \$3,990,930, and \$3,764,137, respectively.

Liabilities at December 31, 2025, 2024, and 2023 include 1) patient accounts managed by MVHS of \$11,475, \$9,517, and \$9,592; 2) accounts payable of \$796,104, \$810,358, and \$796,325; and 3) net pension liability of \$346,800, \$323,619, and \$1,203,791, respectively. \$795,425 of each of the 2025, 2024, and 2023 accounts payable balances was owed to La Crosse County for the lease agreement.

**MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
December 31, 2025**

The MVHS statement of net position does not include any capital assets, as all property and equipment are leased from La Crosse County, as shown in Note 5.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

A summary of MVHS's Statements of Revenues, Expenses and Changes in Net Position follows below:

**Revenues, Expenses, and Changes in Net Position
Years Ended December 31, 2025, 2024, and 2023**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenues	\$ 9,422,224	\$ 9,470,027	\$ 8,959,649
Contracted personnel services	7,491,516	7,520,746	6,652,672
Rent and lease charges	1,132,951	1,057,455	1,078,251
Other operating expenses	<u>1,127,502</u>	<u>899,578</u>	<u>958,085</u>
Total expenses	<u>9,751,969</u>	<u>9,477,779</u>	<u>8,689,008</u>
Income (loss) before nonoperating revenues	(329,745)	(7,752)	270,641
Interest	383	516	95
Intergovernmental revenue	<u>782,411</u>	<u>360,611</u>	<u>687,514</u>
Changes in net position	453,049	353,375	958,250
Net position, beginning	<u>5,306,432</u>	<u>4,953,057</u>	<u>3,994,807</u>
Net position, ending	<u>\$ 5,759,481</u>	<u>\$ 5,306,432</u>	<u>\$ 4,953,057</u>

MVHS reported an operating loss of \$329,745 for the year ended December 31, 2025, an operating loss of \$7,752 for the year ended December 31, 2024, and an operating income of \$270,641 for the year ended December 31, 2023. Intergovernmental revenues from the intergovernmental transfer (IGT) and certified public expenditure (CPE) programs are used by the facility to offset operating losses.

Revenue sources primarily consist of medical assistance, medicare, private pay revenue from patients, the per diem charge to member counties, and payments from the state. For 2025, medical assistance revenues comprised \$6,868,594 or 67% of revenues, the IGT accounted for \$782,411 or 8% of revenues, and the per diem charge accounted for \$1,537,943 or 15% of revenues.

**MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
December 31, 2025**

The schedule following shows the comparison of total operating revenues to total operating expenses for the years ended December 31, 2025, 2024, and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenues	\$ 9,422,224	\$ 9,470,027	\$ 8,959,649
Operating expenses	9,751,969	9,477,779	8,689,008
Operating revenues as a percentage of operating expenses	96.62%	99.92%	103.11%

MVHS contracts with La Crosse County to provide certain services. This is explained in Note 5 and Note 6 in the notes to the financial statements.

ECONOMIC FACTORS

During 2025 and 2024, the state raised the direct care and support service allocations portion of the Medicaid rate. Due to these increases, losses across the County owned facilities have decreased and the amount of supplemental funds needed to be allocated to cover those losses has decreased accordingly. The supplemental funds are allocated to those facilities which only have losses needing to be covered and then allocated out based on the number of Medicaid days their facility had.

During 2025, staffing continues to be the biggest operational challenge. While the final implementation date and staffing requirement regulations are not in place, the facility continues to try to maintain staffing ratios to the 5 Star staffing ratio and continue the same care and services for our residents. To do this, the facility continues to utilize a staffing agency especially on our evening and overnight shifts which are the most difficult to fill, even with shift differentials. Our utilization of agency staff cost increased in 2025 to \$334,412, from \$283,148 in 2024. That was in an increase of 1,095 hours. The facility continues to try and utilize the WisCaregiver program to help train staff in the certified nursing assistant role. An issue has been not enough training classes in our area at the times people are interested in taking the class. Therefore, management has been looking into alternative options farther away and investigating bringing another class and testing site to the area to help with this problem. Retention with the competitive job market for the certified nursing assistant continues to be an issue as well. In 2025, the County started a wage compensation study to be finished and implemented in 2026 which will hopefully help with hiring and retaining more staff.

In 2025 and ongoing we continue to review, adjust, and add items to the capital plan to try and stay ahead of major repairs. In 2025, a life safety survey concluded we needed more smoke detectors in the entrance area of the building. The plan needed to be reviewed by state and the repairs will be completed in 2026. In addition to building updates, management continues to monitor equipment and furniture and maintain a replacement plan.

**MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
December 31, 2025**

The following schedule compares the number of patient days billed to each participating entity at the respective per diem rate for the years ended December 31, 2025 and 2024:

Patient Days Billed

	<u>2025</u>	<u>2024</u>
Inhouse Patient Days		
Medicaid	7,302	4,380
Family Care	6,821	10,220
Family Care Hospice	120	93
Hospice Medicaid	503	104
Medicare	19	44
Medicare Advantage	-	25
Private Pay & Insurance	2,933	2,828
Medicare Advantage for days not covered as part A Stay	6	-
Hospice (Private pay and Insurance)	265	137
Total Inhouse Patient Days	<u>17,969</u>	<u>17,831</u>
Bedhold Days		
Medicaid	19	14
Family Care & Partnership	20	44
Private Pay	8	9
Total Charged Bedhold Days	<u>47</u>	<u>89</u>
Total Days	<u><u>18,016</u></u>	<u><u>17,920</u></u>

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of MVHS's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Mississippi Valley Health Services Commission, 212 6th Street North, Room 2500, La Crosse, Wisconsin 54601.

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FINANCIAL STATEMENTS

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MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
STATEMENTS OF NET POSITION
December 31, 2025 and 2024

ASSETS	<u>2025</u>	<u>2024</u>
Current assets:		
Cash - equity in pooled and other cash held by La Crosse County		
Unrestricted	\$ 4,404,711	\$ 3,981,413
Restricted	11,475	9,517
Receivables	<u>1,023,017</u>	<u>864,925</u>
Total current assets	<u>5,439,203</u>	<u>4,855,855</u>
 Total assets	 <u>5,439,203</u>	 <u>4,855,855</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Pension	<u>2,870,697</u>	<u>3,695,761</u>
 LIABILITIES		
Current liabilities:		
Accounts payable and other current liabilities	796,104	810,358
Deposits payable from restricted assets	<u>11,475</u>	<u>9,517</u>
Total current liabilities	<u>807,579</u>	<u>819,875</u>
 Noncurrent liabilities:		
Net pension liability	<u>346,800</u>	<u>323,619</u>
 Total liabilities	 <u>1,154,379</u>	 <u>1,143,494</u>
 DEFERRED INFLOWS OF RESOURCES		
Pension	<u>1,396,040</u>	<u>2,101,690</u>
 NET POSITION		
Unrestricted	<u>\$ 5,759,481</u>	<u>\$ 5,306,432</u>

The accompanying notes are an integral part of the financial statements.

MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Charges for services	\$ 9,417,666	\$ 9,466,797
Other miscellaneous revenue	<u>4,558</u>	<u>3,230</u>
Total operating revenues	<u>9,422,224</u>	<u>9,470,027</u>
OPERATING EXPENSES		
Contracted personnel services	7,491,516	7,520,746
Rent and lease charges	1,132,951	1,057,455
Supplies	401,315	429,808
Purchased services and repairs	584,175	321,960
Travel and training	16,124	24,473
Provider tax assessment	102,000	102,000
Unassigned expenses	<u>23,888</u>	<u>21,337</u>
Total operating expenses	<u>9,751,969</u>	<u>9,477,779</u>
Operating income (loss)	<u>(329,745)</u>	<u>(7,752)</u>
NONOPERATING REVENUES		
Intergovernmental revenue	782,411	360,611
Interest income	<u>383</u>	<u>516</u>
Total nonoperating revenues	<u>782,794</u>	<u>361,127</u>
CHANGES IN NET POSITION	453,049	353,375
NET POSITION, BEGINNING	<u>5,306,432</u>	<u>4,953,057</u>
NET POSITION, ENDING	<u>\$ 5,759,481</u>	<u>\$ 5,306,432</u>

The accompanying notes are an integral part of the financial statements.

MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 9,355,179	\$ 9,448,151
Miscellaneous revenue	4,558	3,230
Payments to suppliers and others	<u>(9,623,628)</u>	<u>(9,563,270)</u>
Net cash from (used for) operating activities	<u>(263,891)</u>	<u>(111,889)</u>
 CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Intergovernmental aids	<u>688,764</u>	<u>338,166</u>
Net cash from non-capital financing activities	<u>688,764</u>	<u>338,166</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>383</u>	<u>516</u>
Net cash from investing activities	<u>383</u>	<u>516</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	425,256	226,793
 CASH AND CASH EQUIVALENTS, BEGINNING	<u>3,990,930</u>	<u>3,764,137</u>
 CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 4,416,186</u>	<u>\$ 3,990,930</u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (329,745)	\$ (7,752)
Adjustments to reconcile operating income (loss) to net cash used for operating activities:		
Pension related amounts	142,595	(99,524)
(Increase) decrease in accounts receivable	(64,445)	(18,571)
Increase (decrease) in accounts payable	(14,254)	14,033
Increase (decrease) in deposits payable	<u>1,958</u>	<u>(75)</u>
 NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (263,891)</u>	<u>\$ (111,889)</u>
 RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Unrestricted	\$ 4,404,711	\$ 3,981,413
Restricted	<u>11,475</u>	<u>9,517</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 4,416,186</u>	<u>\$ 3,990,930</u>

The accompanying notes are an integral part of the financial statements.

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NOTES TO FINANCIAL STATEMENTS

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MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Mississippi Valley Health Services Commission (MVHS), a component unit of La Crosse County, was created by an Intergovernmental Agreement under Wisconsin Statute 66.0301 between eleven Wisconsin counties, including La Crosse, Monroe, Vernon, Crawford, Sauk, Juneau, Richland, Marinette, Rock, Chippewa, and Trempealeau in 2009. Outagamie and Winnebago counties were added as members in 2010. MVHS provides nursing home services for the elderly and developmentally disabled.

This report includes all of the funds of MVHS. The reporting entity for MVHS consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. MVHS presently does not report any component units.

B. Basis of Presentation and Accounting

MVHS's basic financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. MVHS follows all pronouncements of the Governmental Accounting Standards Board.

The accounts of MVHS are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise MVHS's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses. Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Additionally, Generally Accepted Accounting Principles (GAAP) requires the use of enterprise funds to account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; (ii) that are required by laws or regulations that the activity's costs

MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation and Accounting (Continued)

of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to MVHS is determined by its measurement focus. The transactions of MVHS are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, all liabilities, and all deferred inflows and outflows of resources associated with the operations are included on the statements of net position. Net position (i.e. total assets and deferred outflows of resources net of total liabilities and deferred inflows of resources) are segregated into net investment in capital assets; restricted; and unrestricted components.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of MVHS are charges to patients for services received, along with a daily assessment rate for each patient day for residents coming from a participating county. Operating expenses for MVHS include the cost of contracted services and rent, administrative expenses, and other supplies and taxes of MVHS. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is MVHS's policy to use restricted resources first, and then unrestricted resources as they are needed.

Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or an economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided. Where appropriate, receivables are reduced by the estimated portion that is expected to be uncollectible.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Cash

The cash accounts of MVHS are pooled with La Crosse County in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements.

For the purposes of the statement of cash flows, MVHS considers cash equivalents to include cash and investments having an original maturity of three months or less when purchased.

MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Receivables

Receivables are recorded at their net value. Receivables include private pay balances, medical assistance and medicaid, County daily assessments, and the balance of funds held by La Crosse County on behalf of MVHS. The carrying value of receivables is reduced by a valuation allowance that reflects MVHS's best estimate of amounts that will not be collected. At December 31, 2025 and 2024, there was no allowance recorded.

E. Restricted Assets

Current restricted assets consist of the amounts held by La Crosse County for deposits owed to the residents of MVHS.

F. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expenses) until that future time.

G. Employees' Retirement System

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Additional information is found in Note 4.

H. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that future time.

I. Net Position

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following components:

- Net investment in capital assets - consists of capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - consists of amounts with constraints placed on their use either by 1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

**MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Unrestricted net position – consists of all other amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31 are composed of the following:

	<u>2025</u>	<u>2024</u>
Commingled with County	\$ 4,403,063	\$ 3,979,765
Cash imprest fund	<u>1,648</u>	<u>1,648</u>
Total cash and cash equivalents	4,404,711	3,981,413
Resident’s trusts cash and cash equivalents	<u>11,475</u>	<u>9,517</u>
Total cash and cash equivalents	<u><u>\$ 4,416,186</u></u>	<u><u>\$ 3,990,930</u></u>

Disclosures of deposit and investment risks and fair value measurement inputs are reported in La Crosse County’s Annual Comprehensive Financial Report.

NOTE 3 – RECEIVABLES

At December 31, 2025 and 2024, receivables consisted of balances from the following:

	<u>2025</u>	<u>2024</u>
Member county assessments	\$ 104,615	\$ 220,767
Medical assistance, medicare and private pay	<u>918,402</u>	<u>644,158</u>
	<u><u>\$ 1,023,017</u></u>	<u><u>\$ 864,925</u></u>

MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 4 – EMPLOYEES’ RETIREMENT SYSTEM

General Information about the Pension Plan

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions Noteas required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee’s contributions plus matching employer’s contributions, with interest, it that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 4 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system’s consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the “floor”) set at retirement.

The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2014	4.7%	25.0%
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 4 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

For the years ended December 31, 2025 and 2024, the WRS recognized \$303,554 and \$282,196, respectively, in contributions from the employer.

Contribution rates for the plan years reported as of December 31, 2025 and 2024 are:

Employee Category	2024		2023	
	Employee	Employer	Employee	Employer
General (including teachers, executives, and elected officials)	6.90%	6.90%	6.80%	6.80%
Protective with Social Security	6.90%	14.30%	6.80%	13.20%
Protective without Social Security	6.90%	19.10%	6.80%	18.10%
Act 4 Protective County Jailers	14.30%	6.90%	-	-

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

At December 31, 2025, MVHS reported a liability of \$346,800 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. MVHS’s proportion of the net pension asset was based on MVHS’s share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2025, MVHS’s proportion was 0.02110561%, which was a decrease of 0.00066045% from its proportion measured as of December 31, 2023.

At December 31, 2024, MVHS reported a liability of \$323,619 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. MVHS’s proportion of the net pension liability was based on MVHS’s share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, MVHS’s proportion was 0.02176606%, which was a decrease of 0.00095682% from its proportion measured as of December 31, 2022.

For the years ended December 31, 2025 and 2024, MVHS recognized pension expense of \$446,149 and \$182,672, respectively.

MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 4 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

At December 31, 2025 and 2024, MVHS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,313,662	\$ 1,395,705	\$ 1,532,994	\$ 2,100,665
Net differences between projected and actual earnings on pension plan investments	985,731	-	1,579,171	-
Changes in assumptions	225,984	-	263,220	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,212	335	16,822	1,025
Employer contributions subsequent to the measurement date	329,108	-	303,554	-
Total	\$2,870,697	\$1,396,040	\$3,695,761	\$2,101,690

\$329,108 reported as deferred outflows related to pension resulting from the WRS Employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Net Deferred Outflows/(Inflows)
2026	\$ 347,877
2027	1,171,040
2028	(284,759)
2029	(88,609)

MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 4 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

Actuarial Assumptions

The total pension liability in the December 31, 2023 and the December 31, 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	2023
Actuarial Valuation Date:	December 31, 2023	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2024	December 31, 2023
Actuarial Cost Method:	Entry Age	Entry Age
Asset Valuation Method:	Fair Market Value	Fair Market Value
Long-Term Expected Rate of Return:	6.8%	6.8%
Discount Rate:	6.8%	6.8%
Salary Increases:		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.7%	0.1% - 5.6%
Mortality:	Wisconsin 2020 Mortality Table	Wisconsin 2020 Mortality Table
Post-retirement Adjustments*	1.7%	1.7%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate. Starting with 2015, this item includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

The 2023 actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The total pension liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

The 2022 actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 4 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

Asset Allocation Targets and Expected Returns¹			
As of December 31, 2024			
<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %²</u>
Public Equity	38%	7.0%	4.3%
Public Fixed Income	27	6.1	3.4
Private Equity/Debt	20	9.5	6.7
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Leverage ³	(12)	3.7	1.1
Total Core Fund	100%	7.5%	4.8%
Variable Fund Asset			
U.S. Equities	70%	6.5%	3.8%
International Equities	30	7.4	4.7
Total Variable Fund	100%	6.9%	4.2%

¹Asset allocations are managed within established ranges; target percentages may differ from actual monthly allocations.
²New England Pension Consultants Long Term U.S. CPI (Inflation) Forecast: 2.6%.
³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

Asset Allocation Targets and Expected Returns¹			
As of December 31, 2023			
<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %²</u>
Public Equity	40%	7.3%	4.5%
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage ³	(12)	3.7	1.0
Total Core Fund	100%	7.4%	4.6%
Variable Fund Asset			
U.S. Equities	70%	6.8%	4.0%
International Equities	30	7.6	4.8
Total Variable Fund	100%	7.3%	4.5%

¹Asset allocations are managed within established ranges; target percentages may differ from actual monthly allocations.
²New England Pension Consultants Long Term U.S. CPI (Inflation) Forecast: 2.7%.
³The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 4 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

Single discount rate. A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For the purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of MVHS's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents MVHS's proportionate share of the net pension liability (asset) at December 31, 2025, calculated using the discount rate of 6.80%, as well as what MVHS's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase To Discount Rate (7.80%)
MVHS's proportionate share of the net pension liability/(asset)	\$3,253,437	\$346,800	(\$1,718,282)

The sensitivity analysis as of December 31, 2024 was as follows:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase To Discount Rate (7.80%)
MVHS's proportionate share of the net pension liability/(asset)	\$3,127,934	\$323,619	(\$1,638,679)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 5 – LEASE AND ADMINISTRATIVE AGREEMENT

MVHS has entered into a lease and administrative agreement with La Crosse County. Through this agreement, La Crosse County provides to MVHS personnel and human resources related to the administration and operation of a nursing home, along with cash management services. In so doing, La Crosse County holds all cash of MVHS. In addition, MVHS also pays rent to La Crosse County equal to the sum of expenses, which include utilities, insurance, repairs, and depreciation of the facility and property that is owned by the County.

This agreement commenced on July 1, 2009, and will continue until terminated at any time by unanimous agreement of the then-current members.

NOTE 6 – RELATED PARTY TRANSACTIONS

During the years ended December 31, 2025 and 2024, rents and other consideration paid to La Crosse County from MVHS under the above-mentioned agreement were as follows:

	<u>2025</u>	<u>2024</u>
Rent of the facility and related capital assets	\$ 795,425	\$ 795,425
Additional rent for utilities, insurance, repairs and other facility related items	337,525	262,030
Personnel and related benefits	7,491,516	7,520,746

In addition, as a participating county, La Crosse County pays MVHS a member assessment based on La Crosse County's resident patient days of care. La Crosse County also pays the difference between the sum of the assessments of all members and the actual costs of MVHS's operations, as determined in the MVHS Medicaid cost reports filed with the State of Wisconsin. During the years ended December 31, 2025 and 2024, MVHS recorded member assessments from La Crosse County of \$1,220,375 and \$1,871,515, respectively.

NOTE 7 – RISK MANAGEMENT

MVHS's exposure to risks of loss, including employee health, dental, and worker's compensation claims, is provided for through MVHS's agreement with La Crosse County to contract labor. All of these risk management activities are accounted for within Internal Service Funds included on the County's financial statements, with MVHS's share of the cost recorded as an expense in these financial statements. MVHS obtains property and professional liability insurance from commercial insurance companies. There were no significant changes in insurable risks or coverage from the prior year. Claims have not exceeded coverage since MVHS was formed in 2009.

MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 8 – COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

MVHS has received federal grants for specific purposes that are subject to various audit requirements. As a result of these audit requirements, various costs may be disallowed under terms of the grant. MVHS management believes such disallowances, if any, to be immaterial.

NOTE 9 – EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

Statement No. 103, Financial Reporting Model Improvements

Statement No. 104, Disclosure of Certain Capital Assets

Statement No. 105, Subsequent Events

When they become effective, application of these standards may restate portions of these financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS*

	Year Ended December 31, 2025									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
MVHS's proportion of the net pension liability (asset)	0.03769270%	0.03218800%	0.02726314%	0.02590599%	0.02514290%	0.02533288%	0.02389041%	0.02272288%	0.02176606%	0.02110561%
Proportionate share of the net pension liability (asset)	\$ 612,499	\$ 265,306	\$ (809,475)	\$ 921,654	\$ (810,722)	\$ (1,581,567)	\$ (1,925,611)	\$ 1,203,791	\$ 323,619	\$ 346,800
Covered payroll, as restated	\$ 5,282,985	\$ 4,686,879	\$ 4,034,191	\$ 3,910,164	\$ 3,906,641	\$ 4,069,244	\$ 4,021,141	\$ 4,028,185	\$ 4,149,941	\$ 4,399,333
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	11.59%	5.66%	-20.07%	23.57%	-20.75%	-38.87%	-47.89%	29.88%	7.80%	7.88%
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.20%	99.12%	102.93%	96.45%	102.96%	105.26%	106.02%	95.72%	98.85%	98.79%

*The amounts presented for each fiscal year were determined as of the previous calendar year-end.

**MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST 10 FISCAL YEARS***

	Year Ended December 31, 2025									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contributions	\$ 309,334	\$ 274,325	\$ 261,981	\$ 255,885	\$ 274,674	\$ 271,427	\$ 261,832	\$ 282,196	\$ 303,554	\$ 329,108
Contributions made in relation to the contractually required contributions	\$ 309,334	\$ 274,325	\$ 261,981	\$ 255,885	\$ 274,674	\$ 271,427	\$ 261,832	\$ 282,196	\$ 303,554	\$ 329,108
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll, as restated	\$ 4,686,879	\$ 4,034,191	\$ 3,910,164	\$ 3,906,641	\$ 4,069,244	\$ 4,021,141	\$ 4,028,185	\$ 4,149,941	\$ 4,399,333	\$ 4,735,374
Contributions as a percentage of covered payroll	6.60%	6.80%	6.70%	6.55%	4.68%	6.75%	6.50%	6.80%	6.90%	6.95%

*The amounts presented for each fiscal year were determined as of the previous calendar year-end

**MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025 and 2024**

NOTE 1 – EMPLOYEES’ RETIREMENT SYSTEM

Changes in benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes in assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.