

ST. CROIX COUNTY HEALTH CARE CAMPUS
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2024 AND 2023



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INDEPENDENT AUDITORS' REPORT

Human Services Board
St. Croix County Health Care Campus
New Richmond, Wisconsin

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of St. Croix County Nursing Home (St. Croix County Health Care Campus), as of and for the year ended December 31, 2024 and December 31, 2023, and the related notes to the financial statements, which collectively comprise St. Croix County Health Care Campus' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of St. Croix County Health Care Campus, as of December 31, 2024 and December 31, 2023, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 St. Croix County Health Care Campus and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 raises substantial doubt about St. Croix County Health Care Campus's ability to continue as a going concern within one year after the date that the financials statements are available to be issued.

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting 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.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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 St. Croix County Health Care Campus' 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 St. Croix County Health Care Campus' 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 management's discussion and analysis, schedule of proportionate share of Wisconsin Retirement System pension plan (asset) liability, and schedule of contributions to Wisconsin Retirement System pension plan 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 GAAS, 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.

Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

We have audited the financial statements of St. Croix County Health Care Campus as of and for the year ended December 31, 2024, and have issued our report thereon dated June 11, 2025 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The statement of operations – nursing home business, schedule of provider supplied schedules, and schedule of supplemental requirements is presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of supplemental requirements is fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2024, as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2025, on our consideration of St. Croix County Health Care Campus' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of St. Croix County Health Care Campus' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Croix County Health Care Campus' internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
June 11, 2025

**ST. CROIX COUNTY HEALTH CARE CAMPUS
STATEMENT OF NET POSITION
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,276,533	\$ 1,003,749
Resident Receivables, Less Allowance for Uncollectible Accounts of Approximately \$92,000 and 70,000	<u>618,681</u>	<u>862,178</u>
Total Current Assets	2,895,214	1,865,927
RESTRICTED ASSETS		
Restricted by Donors	<u>54,727</u>	<u>62,983</u>
CAPITAL ASSETS, NET	<u>17,167,367</u>	<u>17,510,414</u>
Total Assets	20,117,308	19,439,324
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	<u>1,859,508</u>	<u>3,052,303</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 21,976,816</u></u>	<u><u>\$ 22,491,627</u></u>

See accompanying Notes to Financial Statements.

**ST. CROIX COUNTY HEALTH CARE CAMPUS
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable - Trade	\$ 107,766	\$ 303,733
Accrued Salaries, Wages and Benefits	283,605	197,425
Accrued Compensated Absences	134,425	109,294
Security Deposits Payable	48,600	55,034
Total Current Liabilities	<u>574,396</u>	<u>665,486</u>
Resident Funds Payable	5,950	7,559
Noncurrent Accrued Compensated Absences	<u>378,955</u>	<u>315,992</u>
WISCONSIN RETIREMENT SYSTEM PENSION LIABILITY	208,918	821,887
Total Liabilities	1,168,219	1,810,924
DEFERRED INFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	<u>1,116,743</u>	<u>1,721,369</u>
NET POSITION		
Net Investment in Capital Assets	17,167,367	17,510,414
Restricted by Donors	6,127	7,949
Unrestricted	<u>2,518,360</u>	<u>1,440,971</u>
Total Net Position	<u>19,691,854</u>	<u>18,959,334</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 21,976,816</u></u>	<u><u>\$ 22,491,627</u></u>

See accompanying Notes to Financial Statements.

ST. CROIX COUNTY HEALTH CARE CAMPUS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Net Resident Service Revenue (Net of Provision for Bad Debt of \$-0-)	\$ 8,767,667	\$ 7,127,456
Other Operating Revenues	<u>261,468</u>	<u>16,783</u>
Total Operating Revenues	9,029,135	7,144,239
OPERATING EXPENSES		
Daily Resident Services	3,446,469	2,820,721
Special Services	2,655,231	2,133,323
General Service	1,041,327	1,007,489
Other Cost Centers	36,250	35,000
Administrative Services	886,145	1,393,608
Depreciation	<u>613,212</u>	<u>610,115</u>
Total Expenses	8,678,634	8,000,256
OPERATING INCOME (LOSS)	350,501	(856,017)
NONOPERATING GAINS (LOSSES)		
Supplemental Payment Revenue	95,738	165,828
Insurance Reimbursement	15,798	27,086
Loss on Fixed Asset Disposal	(6,691)	-
Restricted Contributions	11,195	14,184
Restricted Funds Expended	<u>(10,877)</u>	<u>(11,613)</u>
Net Nonoperating Gains	105,163	195,485
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE TRANSFERS TO/FROM COUNTY	455,664	(660,532)
CAPITAL CONTRIBUTIONS		
Capital Contribution from County General	<u>276,856</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	732,520	(660,532)
Net Position - Beginning of Year	<u>18,959,334</u>	<u>19,619,866</u>
NET POSITION - END OF YEAR	<u><u>\$ 19,691,854</u></u>	<u><u>\$ 18,959,334</u></u>

See accompanying Notes to Financial Statements.

**ST. CROIX COUNTY HEALTH CARE CAMPUS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Residents and Third-Party Payors	\$ 9,266,198	\$7,056,809
Cash Paid to Employees	(4,749,191)	(4,392,840)
Cash Paid to Suppliers	(3,362,724)	(2,511,192)
Net Cash Provided by Operating Activities	1,154,283	152,777
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received from Supplement Payment Program	95,738	165,828
Net Change in Restricted Funds	(1,291)	2,413
Other Non-Operating Income	15,798	27,086
Net Cash Provided by Noncapital Financing Activities	110,245	195,327
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Paid for Acquisition of Capital Assets	-	(307,391)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,264,528	40,713
Cash and Cash Equivalents - Beginning of Year	1,066,732	1,026,019
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,331,260</u>	<u>\$ 1,066,732</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income	\$ 350,501	\$ (856,017)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	613,212	610,115
Change in WRS Pension Asset	-	1,342,779
Change in WRS Pension Deferred Outflow	1,192,795	(457,132)
Change in WRS Pension Liability	(612,969)	821,887
Change in WRS Pension Deferred Inflow	(604,626)	(1,439,591)
(Increase) Decrease in Current Assets:		
Resident Receivables	243,497	(77,913)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	(195,967)	188,203
Accrued Salaries, Wages and Benefits	86,180	(973)
Accrued Compensated Absences	88,094	30,936
Security Deposit Payable	(6,434)	(9,517)
Net Cash Provided by Operating Activities	<u>\$ 1,154,283</u>	<u>\$ 152,777</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents	\$ 2,276,533	\$ 1,003,749
Restricted Cash:		
Restricted Assets - Restricted by Donors	54,727	62,983
Total Cash and Cash Equivalents - End of Year	<u>\$ 2,331,260</u>	<u>\$ 1,066,732</u>

See accompanying Notes to Financial Statements.

**ST. CROIX COUNTY HEALTH CARE CAMPUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

St. Croix County Health Care Campus (the Home) is owned and operated as an enterprise fund by St. Croix County, Wisconsin (the County) as a stand-alone entity, tax exempt, licensed nursing home. The Home is directed by a governing board appointed by the County Board of Supervisors. It is the intent of the County Board that the costs (expenses, including depreciation) of providing services to the residents on a continuing basis be financed or recovered primarily through user charges. During the year ended December 31, 2024, the Home had 50 licensed beds.

The Home is subject to regulation by the Wisconsin Department of Human Services. Such regulation includes the Home's accounting practices and its rate setting for residents under the Title XIX Wisconsin Medical Assistance Program.

The Home maintains its financial records in accordance with the *Nursing Home Accounting and Reporting Manual* as required by the Wisconsin Department of Human Services. The accounting practices therein conform to U.S. generally accepted accounting principles. The Home uses the accrual basis of accounting. Under this basis, revenues are recognized when they are earned and expenses are recognized when they are incurred.

For financial reporting purposes, the Home has included all funds, organizations, agencies, boards, commissions, and authorities. The Home has also considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Home are such that exclusion would cause the Home's financial statements to be misleading or incomplete. The Government Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the organization to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the Home. The Home has no component units, which meet the Governmental Accounting Standards Board criteria.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Home uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis, using the economic resources measurement focus. Based on Government Accounting Standards Board (GASB) Codification Topic 1600, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended.

**ST. CROIX COUNTY HEALTH CARE CAMPUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and checking and savings accounts.

Accounts Receivable

The Home provides an allowance for uncollectible accounts based on the allowance method using management's judgment. Residents are not required to provide collateral for services rendered. Payment for services is required within 30 days of receipt of invoice or claim submitted. Accounts past due are individually analyzed for collectability. Amounts for which no payments have been received are written off using management's judgment on a per account basis. In addition, an allowance is estimated for other accounts based on historical experience of the Home. At December 31, 2024, the amount disclosed on the statement of net position is \$70,000.

Capital Assets

Capital Assets are reported at cost, if purchased or at fair market value on the date received, if donated. It is the Home's policy to include amortization expense on assets acquired under capital leases with depreciation on owned assets. Depreciation is provided on the straight-line basis over the estimated useful lives of the property as follows:

Land Improvements	5 – 30 Years
Buildings and Building Improvements	10 – 40 Years
Fixed Equipment	10 – 25 Years
Major Movable Equipment and Vehicles	4 – 20 Years

Depreciation expense for the year ended December 31, 2024 and 2023 was \$613,212 and \$610,114, respectively.

Deferred Outflows of Resources

The Home's financial statements report decreases in net position that relate to future periods as deferred outflows of resources. The Home reports deferred outflows of resources for Wisconsin Retirement System pension related items.

Deferred Inflows of Resources

The Home's financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The County will not recognize the related revenue until a future event occurs. The Home reports deferred inflows of resources for Wisconsin Retirement System pension related items.

**ST. CROIX COUNTY HEALTH CARE CAMPUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Vested Benefits

Under terms of employment, employees are granted personal time off (PTO) in varying amounts. Only benefits considered to be vested are disclosed in these statements. All PTO is accrued when incurred in the financial statements. Payments for PTO will be made at rates in effect when the benefits are used. Accumulated PTO liability at year-end is determined on the basis of current salary rates and includes salary related payments.

Employee's Retirement System

For purposes of measuring the net pension liability (asset), deferred outflows (revenue) of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by 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.

Net Position

Net position of the Home is classified in three components. Net investment in capital assets net of related debt consist of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted expendable net position reflects those that must be used for a particular purpose, as specified by creditors, grantors or contributors external to the Home. Unrestricted net position are those remaining that do not meet the definition of invested in capital assets net of related debt or restricted net position.

Restricted net position consists of contributions for resident activities, employee recreation, and the net pension asset at December 31, 2024 and 2023.

Operating Revenues and Expenses

The Home's statements of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services – the Home's principal activity. Nonexchange revenues, including taxes, grants and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health services.

Net Resident Revenues

Net resident revenue is reported at the estimated net realizable amounts from residents, third-party payors, and others for services rendered. Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

**ST. CROIX COUNTY HEALTH CARE CAMPUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Third-Party Reimbursement Agreements

Medicaid

The Home participates in the Medicaid program that is administrated by the Wisconsin Department of Human Services (DHS). Revenues for provided services are recognized by the Home as services are provided. Rates for services provided to residents under the Title XIX Wisconsin Medical Assistance Program are based on cost reports submitted by the Home and a formula determined by the Wisconsin Department of Human Services. Average Title XIX rates cannot exceed private pay rates. Title XIX rates are subject to retroactive adjustment.

The State of Wisconsin Department of Human Services also provides additional reimbursement to county nursing facilities through the intergovernmental transfer program based on the shortfall between a facility's Medicaid reimbursement and the cost of providing the related care. These additional settlement amounts are reflected as nonoperating gains. Amounts recognized was \$95,738 and \$165,828 and during the year ended December 31, 2024 and 2023.

Medicare

By state statute, a nursing facility which participates in the Medicaid program must also participate in the Medicare program. This program is administered by the Centers for Medicare and Medicaid Services.

The Home is paid under the Medicare prospective payment system (PPS) for residents who are Medicare eligible. The PPS is a per diem price-based system. Effective October 1, 2019, the Medicare Reimbursement System underwent a significant change in methodology and implemented a patient driven payment model (PDPM). The PDPM payment system operates similar to PPS in that patients are assigned standard rates of payment for their specific needs. Under PDPM, therapy minutes are removed as the primary basis for payment and instead, uses the underlying complexity and clinical needs of a patient as a basis for reimbursement. In addition, PDPM introduces variable adjustment factors that change reimbursement rates during the resident's length of stay. Therapy services to residents not in a covered Part A stay remain the same.

Laws and regulations governing the Medicare and Medicaid 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.

Resident service revenues were \$8,767,667 and \$7,127,456 and there were no contractual adjustments in 2024 and 2023, respectively.

The occupancy percentages and the percentages of residents covered under the Medicare and Medicaid programs were as follows:

	<u>2024</u>	<u>2023</u>
Total Occupancy	74.8%	56.0%
Medicaid	25.0%	36.8%
Medicare	9.8%	18.0%

**ST. CROIX COUNTY HEALTH CARE CAMPUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

The Home receives contributions from individuals and private organizations. Revenue contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

NOTE 2 RESIDENT RECEIVABLES

Resident receivables reported as current assets by the Home at December 31, 2024 and 2023 consisted of the following:

	2024	2023
Receivable from Residents and Their Insurance Carriers	\$ 239,765	\$ 52,430
Receivable from Medicare	90,624	344,548
Receivable from Medicaid	380,992	314,403
Total Resident Receivables	711,381	711,381
Less: Allowance for Doubtful Accounts	(92,700)	(70,000)
Resident Receivables, Net	<u>\$ 618,681</u>	<u>\$ 862,178</u>

NOTE 3 DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of bank failure, the Home's deposits may not be returned to it. In accordance with applicable state statutes, the Home, which is an enterprise fund of the County, maintains deposits at depository banks authorized by the County and is a member of the Federal Reserve System.

As a proprietary fund of St. Croix County, Wisconsin, the Home is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11(2). State statutes permit the County to invest available cash balances in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high grade commercial paper and the local government pooled investment fund administered by the state investment board.

The Home's deposits are pooled with all other funds of the County and are held in the County's name. Deposits made in the County's name were entirely covered by collateral held in the County's name as of December 31, 2024 and 2023.

ST. CROIX COUNTY HEALTH CARE CAMPUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3 DEPOSITS (CONTINUED)

Custodial Credit Risk (Continued)

The Home follows the County's investment policy with respect to interest rate risk or credit risk.

	2024	2023
Deposits	<u>\$ 2,054,404</u>	<u>\$ 1,066,732</u>

The carrying amount of deposits shown above is included in the Home's balances as follows:

	2024	2023
Cash and Cash Equivalents	\$ 1,999,677	\$ 1,003,749
Noncurrent Cash and Investments:		
Restricted by Donors	54,727	62,983
Total	<u>\$ 2,054,404</u>	<u>\$ 1,066,732</u>

NOTE 4 CAPITAL ASSETS

Summaries of capital assets for the year ended December 31, 2024 and 2023 are as follows:

	January 1, 2024	Additions	Transfers and Retirements	December 31, 2024
Capital Assets				
Land Improvements	\$ 31,203	\$ 28,364	\$ 8,693	\$ 50,874
Buildings	21,431,977	-	152,296	21,279,681
Equipment	1,104,681	248,492	-	1,353,173
Totals	<u>22,567,861</u>	<u>276,856</u>	<u>160,989</u>	<u>22,683,728</u>
Accumulated Depreciation				
Land Improvements	36,379	1,381	8,693	\$ 29,067
Buildings	4,059,654	553,132	145,605	4,467,181
Fixed Equipment	961,414	58,699	-	1,020,113
Totals	<u>5,057,447</u>	<u>\$ 613,212</u>	<u>\$ 154,298</u>	<u>5,516,361</u>
Totals	<u>\$ 17,510,414</u>			<u>\$ 17,167,367</u>
	January 1, 2023	Additions	Transfers and Retirements	December 31, 2023
Capital Assets				
Land Improvements	\$ 31,203	\$ -	\$ -	\$ 31,203
Buildings	21,155,373	276,604	-	21,431,977
Fixed Equipment	1,073,894	30,787	-	1,104,681
Totals	<u>22,260,470</u>	<u>307,391</u>	<u>-</u>	<u>22,567,861</u>
Accumulated Depreciation				
Land Improvements	35,153	1,126	-	36,279
Buildings	3,332,441	571,088	-	3,903,529
Fixed Equipment	1,079,738	37,901	-	1,117,639
Totals	<u>4,447,332</u>	<u>\$ 610,115</u>	<u>\$ -</u>	<u>5,057,447</u>
Totals	<u>\$ 17,813,138</u>			<u>\$ 17,510,414</u>

**ST. CROIX COUNTY HEALTH CARE CAMPUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 5 ACCUMULATED PERSONAL TIME OFF AND PERSONAL SICK LEAVE LIABILITY

All regular employees are granted personal time off (PTO) based on number of regular hours paid in a pay period and length of service. Earned time off is placed in a personal "PTO" account which is subject to current use by the employee. Amounts recorded in the PTO accounts are subject to maximum accumulations. Employees may annually, in December, elect to pay out up to 48 hours of unused PTO the following July. Employees who leave the Home in good standing with a minimum of one year of employment are entitled to payment of the accumulated PTO account up to maximum accumulation limits. For employees hired prior to October 5, 2022 accumulated time in a sick bank account, upon retirement, may be deposited in a Retiree Health Savings account in the name of the retiree. Retirement is defined as being eligible to receive a pension from the Wisconsin Retirement System. At retirement, the balance of funds in an employee's sick bank is contributed to a qualified retirement plan. Unused sick bank time of employees hired after October 5, 2022 will be forfeited.

The Nursing Home's estimated liability for accumulated personal time off and vested sick leave at December 31, 2024 and 2023 was as follows:

	Balances 1/1/24	Additions	Reductions	Balances 12/31/24	Amounts Due Within One Year
Employee Leave Liability	\$ 425,286	\$ 88,094	\$ -	\$ 513,380	\$ 134,425

	Balances 1/1/23	Additions	Reductions	Balances 12/31/23	Amounts Due Within One Year
Employee Leave Liability	\$ 394,350	\$ 60,603	\$ 29,667	\$ 425,286	\$ 315,992

NOTE 6 EMPLOYEE RETIREMENT PLAN

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, 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/publications/cafr.htm>.

**ST. CROIX COUNTY HEALTH CARE CAMPUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 6 EMPLOYEE RETIREMENT PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

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 as 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, if 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.

**ST. CROIX COUNTY HEALTH CARE CAMPUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 6 EMPLOYEE RETIREMENT PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Postretirement 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)

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, 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.

During the Home's fiscal year reporting period January 1, 2024 through December 31, 2024, the WRS recognized \$184,682 in contributions from the employer. During the Home's fiscal year reporting period January 1, 2023 through December 31, 2023, the WRS recognized \$216,191 in contributions from the employer.

Contribution rates as of December 31, 2024 and 2023 are:

	2024		2023	
	Employee	Employer	Employee	Employer
General	6.90%	6.90%	6.80%	6.80%
Executives and Elected Officials	6.90%	6.90%	6.80%	6.80%
Protective with Social Security	6.90%	14.32%	6.80%	13.22%
Protective without Social Security	6.90%	19.12%	6.80%	18.12%

ST. CROIX COUNTY HEALTH CARE CAMPUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 6 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Pension Asset, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the Home reported a liability of \$208,918 for its proportionate share of the net pension liability (asset). The total pension liability (asset) used to calculate the net pension liability (asset) 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. The Home's proportion of the net pension liability (asset) was based on a projection of the Home's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2023, the Home's proportion was 0.22805362%, which was a decrease of 0.00122275% from its proportion measured as of December 31, 2022.

At December 31, 2023, the Home reported a liability of \$821,887 for its proportionate share of the net pension liability (asset). The total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Home's proportion of the net pension liability (asset) was based on a projection of the Home's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2022, the Home's proportion was 0.22927637%, which was an increase of 0.00040205% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2024, the Home recognized pension expense of \$24,800. For the year ended December 31, 2023, the Home recognized pension expense of \$267,943.

ST. CROIX COUNTY HEALTH CARE CAMPUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 6 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Pension Asset, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At December 31, 2024 and 2023, the Home reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2024		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 842,355	\$ 1,115,705
Changes of Assumptions	91,061	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	728,045	-
Changes in Proportion and Differences Between Home Contributions and Proportionate Share of Contributions	1,514	1,038
Contributions Subsequent to the Measurement Date	196,533	-
Total	<u>\$ 1,859,508</u>	<u>\$ 1,116,743</u>
2023		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,382,835	\$ 1,816,735
Changes of Assumptions	170,732	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,474,937	-
Changes in Proportion and Differences Between Home Contributions and Proportionate Share of Contributions	842	1,714
Contributions Subsequent to the Measurement Date	216,191	-
Total	<u>\$ 3,245,537</u>	<u>\$ 1,818,449</u>

As of December 31, 2024, \$196,533 was reported as deferred outflows of resources related to pensions resulting from the Home's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended December 31, 2025. As of December 31, 2024, \$216,191 was reported as deferred outflows of resources related to pensions resulting from the Home's contributions subsequent to the measurement date was recognized as a reduction to the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31, 2024:	Pension Expense (Revenue) Amount
2025	\$ 111,950
2026	117,249
2027	457,078
2028	(140,045)

**ST. CROIX COUNTY HEALTH CARE CAMPUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 6 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Pension Asset, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions. The total pension liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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:

ST. CROIX COUNTY HEALTH CARE CAMPUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 6 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Pension Asset, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	Target Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
Core Fund Asset Class			
Global Equities	40.00%	7.3%	4.5%
Fixed Income	27.00	5.8%	3.0%
Inflation Sensitive Assets	19.00	4.4%	1.7%
Real Estate	8.00	5.8%	3.0%
Private Equity/Debt	18.00	9.6%	6.7%
Leverage	-12.00	3.70	1.00
Total Core Fund	100.00%	7.4%	4.6%
Variable Fund Asset Class			
U.S. Equities	70.0%	6.8%	4.0%
International Equities	30.0	7.6	4.8%
Total Variable Fund	100.0%	7.3%	4.5%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7% Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

Single Discount Rate. A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.). 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 purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this 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 the Home's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Home's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8%, as well as what the Home'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 (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

ST. CROIX COUNTY HEALTH CARE CAMPUS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 6 EMPLOYEE RETIREMENT PLAN (CONTINUED)

Pension Asset, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
<u>December 31, 2024</u>			
The Home's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,019,293	\$ 208,918	\$ (1,057,878)
<u>December 31, 2023</u>	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
The Home's Proportionate Share of the Net Pension Liability (Asset)	\$ 27,278,169	\$ 821,887	\$ (489,229)

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

NOTE 7 OTHER POST EMPLOYMENT BENEFITS

The health insurance benefit for retirees terminates at the age of 65. Reporting standards provide for the determination, disclosure and potential recognition of other postemployment benefits, including retiree health insurance benefit described above. The potential liability has been actuarially determined for the County and reflected in the County financial statements. At this time, the County has chosen not to assess costs related to the provision of any postemployment benefits to the Home.

NOTE 8 COMMITMENTS AND CONTINGENCIES

Healthcare Risk Management

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for resident services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violation of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for resident services previously billed. Management of the Home and the County believe that all material commitments and contingencies have been disclosed.

REQUIRED SUPPLEMENTARY INFORMATION

**ST. CROIX COUNTY HEALTH CARE CAMPUS
SCHEDULE OF PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM PENSION PLAN LIABILITY (ASSET)
LAST TEN FISCAL YEARS**

<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/2023	0.22805362%	3,390,715	37,841,346	8.96%	98.85%
12/30/2022	0.22927637%	12,146,382	35,625,961	34.09%	106.02%
12/31/2021	0.22887432%	(18,447,691)	34,722,717	53.13%	106.02%
12/31/2020	0.22902798%	(14,298,534)	34,269,069	41.72%	105.26%
12/31/2019	0.22620425%	(7,293,857)	32,517,474	22.43%	102.96%
12/31/2018	0.22225145%	7,907,009	31,477,565	25.12%	96.45%
12/31/2017	0.21653928%	(6,429,308)	30,109,574	21.35%	102.93%
12/31/2016	0.21478422%	1,770,334	28,587,877	6.19%	99.12%
12/31/2015	0.21616914%	3,512,707	27,892,981	12.59%	98.20%
12/31/2014	0.21970028%	(5,396,440)	28,226,246	19.12%	102.74%

The above information is for St. Croix County as a whole, including St. Croix County Health Care Campus, an enterprise fund of the County.

**ST. CROIX COUNTY HEALTH CARE CAMPUS
SCHEDULE OF CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2024	\$ 3,444,692	\$ (3,444,692)	-	\$ 39,829,807	8.65%
12/31/2023	3,024,447	(3,024,447)	-	37,841,345	7.99%
12/31/2022	2,652,657	(2,652,657)	-	35,625,961	7.45%
12/31/2021	2,645,480	(2,645,480)	-	34,722,717	7.62%
12/31/2020	2,621,770	(2,621,770)	-	34,269,070	7.65%
12/31/2019	2,370,927	(2,370,927)	-	32,517,475	7.29%
12/31/2018	2,343,433	(2,343,433)	-	31,477,565	7.44%
12/31/2017	2,265,431	(2,265,431)	-	30,109,574	7.52%
12/31/2016	2,109,823	(2,109,823)	-	28,587,877	7.38%
12/31/2015	2,026,705	(2,026,705)	-	27,892,981	7.27%

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

Changes of 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 postretirement 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 postretirement 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

SUPPLEMENTARY INFORMATION

ST. CROIX COUNTY HEALTH CARE CAMPUS
STATEMENT OF OPERATIONS – NURSING HOME BUSINESS
YEAR ENDED DECEMBER 31, 2024

	2024		
	SNF	All Other Activities	Total
OPERATING REVENUES			
Net Resident Service Revenue (Net of Provision for Bad Debt of \$-0-)	6,741,237	\$ 2,026,430	\$ 8,767,667
Other Operating Revenues	244,308	17,160	261,468
Total Operating Revenues	6,985,545	2,043,590	9,029,135
OPERATING EXPENSES			
Daily Resident Services	3,446,469	-	3,446,469
Special Services	805,691	1,849,540	2,655,231
General Service	758,365	282,962	1,041,327
Other Cost Centers	36,250	-	36,250
Administrative Services	817,855	68,290	886,145
Depreciation	444,633	168,579	613,212
Total Expenses	6,309,263	2,369,371	8,678,634
OPERATING INCOME (LOSS)	676,282	(325,781)	350,501
NONOPERATING GAINS (LOSSES)			
Supplemental Payment Revenue	-	95,738	95,738
Supplemental Payment Revenue - COVID 19			
Other Federal Payments			
Insurance Reimbursement	15,798	-	15,798
Interest Revenue			
Loss on Fixed Asset Disposal	-	(6,691)	(6,691)
Restricted Contributions	11,195	-	11,195
Restricted Funds Expended	(10,877)	-	(10,877)
Net Nonoperating Gains	16,116	89,047	105,163
BEFORE TRANSFERS TO/FROM COUNTY	692,398	(236,734)	455,664
CAPITAL CONTRIBUTIONS			
Capital Contribution from County General	276,856	276,856	276,856
INCREASE (DECREASE) IN NET POSITION	969,254	40,122	732,520

**ST. CROIX COUNTY HEALTH CARE CAMPUS
SCHEDULE OF PROVIDER SUPPLIED SCHEDULES
DECEMBER 31, 2024**

	Positions	GL Account Number	Hours	Salary / Wages	Average Rate	POP ID(s)	Position Description	Shared Across other non-NH lines of business?	Is position based in a home-office?
	DON KN	610-4210-520951	1,976.00	\$ 90,225.73	\$ 45.66	832	Available Upon Request	Yes	Yes
	MDS AL	610-4210-520951	2,080.00	\$ 87,605.50	\$ 42.12	832	Available Upon Request	No	Yes
	Nurse Supervisor TT	610-4210-520951	1,976.00	\$ 79,490.00	\$ 40.23	832	Available Upon Request	No	Yes
	Nursing Administration	Total	6,032.00	\$ 257,321.23	\$ 42.66				
	Positions	GL Account Number	Hours	Salary / Wages	Average Rate	POP ID(s)	Position Description	Shared Across other non-NH lines of business?	Is position based in a home-office?
	RN	610-4210-520952	8,414.40	\$ 336,289.29	\$ 39.97	832	Available Upon Request	No	Yes
	RN - SNF	Total	8,414.40	\$ 336,289.29	\$ 39.97				
	Positions	GL Account Number	Hours	Salary / Wages	Average Rate	POP ID(s)	Position Description	Shared Across other non-NH lines of business?	Is position based in a home-office?
	LPN / LVN	610-4210-520953	7,568.01	\$ 241,691.47	\$ 31.94	832	Available Upon Request	No	Yes
	LPN - SNF	Total	7,568.01	\$ 241,691.47	\$ 31.94				
	Positions	GL Account Number	Hours	Salary / Wages	Average Rate	POP ID(s)	Position Description	Shared Across other non-NH lines of business?	Is position based in a home-office?
	CNA	610-4210-520954	35,453.95	\$ 779,371.28	\$ 21.98	832	Available Upon Request	No	Yes
	Medication Aides (e.g. CMA, CMT, TMA)	610-4210-520957	1,849.00	\$ 42,645.45	\$ 23.06	832	Available Upon Request	No	Yes
	CNA - SNF	Total	37,302.95	\$ 822,016.73	\$ 22.04				

**ST. CROIX COUNTY HEALTH CARE CAMPUS
SCHEDULE OF PROVIDER SUPPLIED SCHEDULES
DECEMBER 31, 2024**

Asset Description	Asset Purchase Date	Asset Placed In Service Date	Asset Cost	POP IDs	Shared Across other Non-NH Lines of Business?	AHA Useful Life Category
Parking lot seal and stripe [13130]	10/5/2024	10/5/2024	\$ 28,363.72	832	No	20.00
E-Z Way Lifts (2) for NH [13063]	6/30/2024	6/30/2024	\$ 8,914.47	832	No	5.00
Grease Trap [13118]	8/8/2024	8/8/2024	\$ 13,305.00	832	No	5.00
Irrigation at Health Center [13129]	11/12/2024	11/12/2024	\$ 29,555.00	832	No	5.00
Nursing Home Kitchen Exhaust [13116]	8/23/2024	8/23/2024	\$ 17,380.00	832	No	5.00
Power recliners (5) for Nursing home [13062]	6/30/2024	6/30/2024	\$ 8,306.57	832	No	5.00

**ST. CROIX COUNTY HEALTH CARE CAMPUS
SCHEDULE OF PROVIDER SUPPLIED SCHEDULES
DECEMBER 31, 2024**

		<u>Remaining Balance of Loan Principal</u>							
				<u>D. Begin date</u>		<u>E. 6Mo. Date</u>	<u>F. End Date</u>		
		<u>A.</u>	<u>B.</u>	<u>C. Original</u>				<u>G. Interest</u>	<u>H. Interest</u>
		<u>Original</u>	<u>Maturing</u>						
		<u>Month,</u>	<u>Month,</u>	<u>Amount of</u>		<u>6/30/2024 - 6</u>	<u>12/31/2024</u>	<u>Rate</u>	<u>Expense</u>
		<u>Year of</u>	<u>Year of</u>	<u>Loan</u>	<u>1/1/2024 Begin Bal.</u>	<u>Mo. Bal.</u>	<u>End Bal.</u>		
		<u>Loan</u>	<u>Loan</u>						
Name	FTN Financial Capital Markets								
Related party?	No	Aug-15	Aug-35	\$ 10,000,000	\$ 7,385,000	\$ 6,910,000	\$ 6,910,000	2.00%	\$ 193,492.50
Purpose	2015A								
Name	Stifiel, Nicolaus & Company								
Related party?	No	Aug-16	Dec-35	\$ 10,000,000	\$ 9,340,000		\$ 9,055,000	3.00%	\$ 213,770.00
Purpose	2016A								
TOTAL LOAN PRINCIPAL.....					\$ 16,725,000.00	\$ 6,910,000.00	\$ 15,965,000.00	TOTAL EXP.	\$ 407,262.50

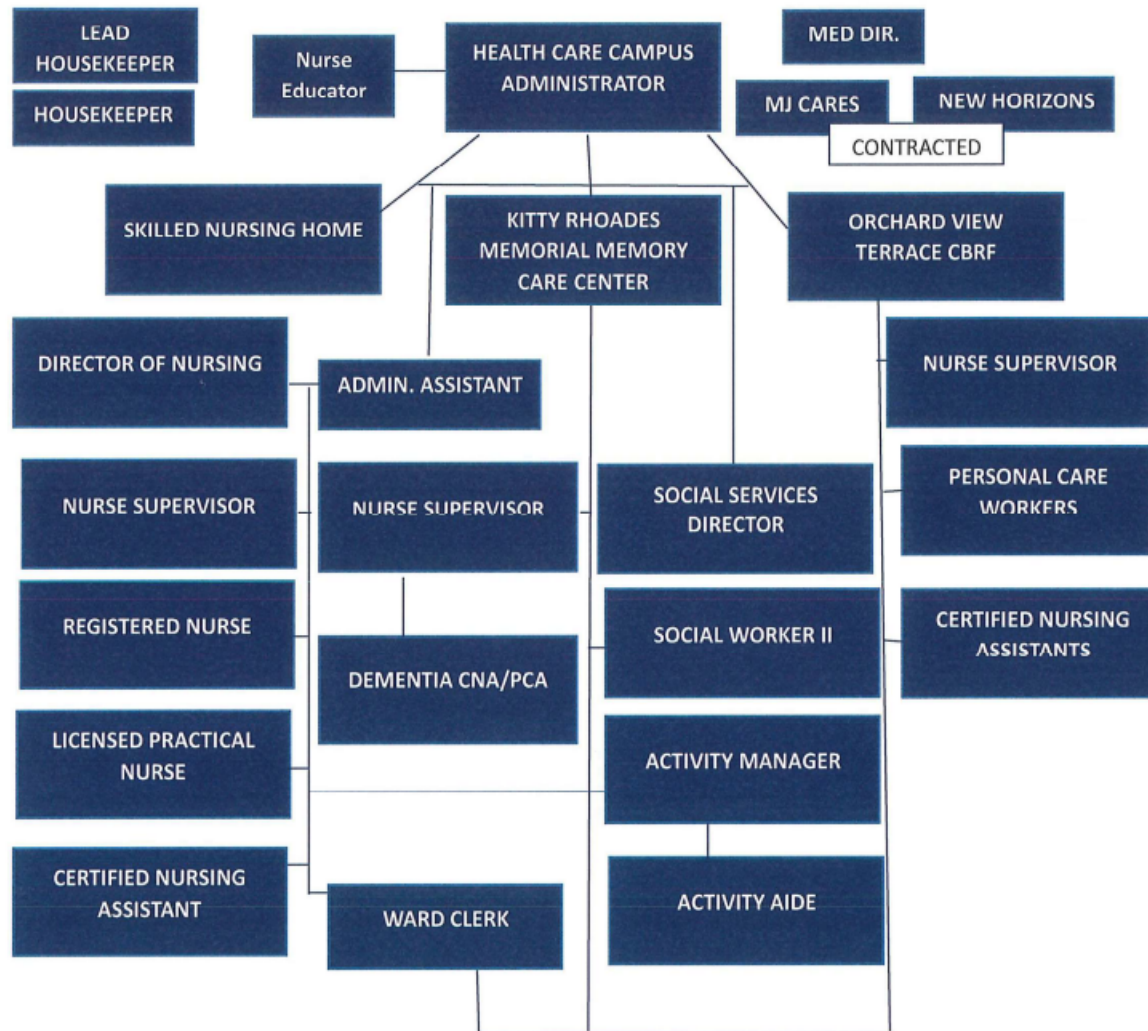
**ST. CROIX COUNTY HEALTH CARE CAMPUS
SCHEDULE OF PROVIDER SUPPLIED SCHEDULES
DECEMBER 31, 2024**

Name of Lessor	Related Party?	POP ID(s)	Lease Purchase Agreement?	Lessor Acquisition Cost (if known)	Month, Year Acquired	Lease Beg Date	Lease End Date	Annual Escalator	Describe Property	Lease Payments	Was Lease ever Disallowed by a WI DHS Auditor?	Does Lease Cover more than NH Line of Business?	Account #
Ecolab	No	832	Yes						dishwasher	2,260	no	no	610-4210-527000-55310

**ST. CROIX COUNTY HEALTH CARE CAMPUS
SCHEDULE OF PROVIDER SUPPLIED SCHEDULES
DECEMBER 31, 2024**

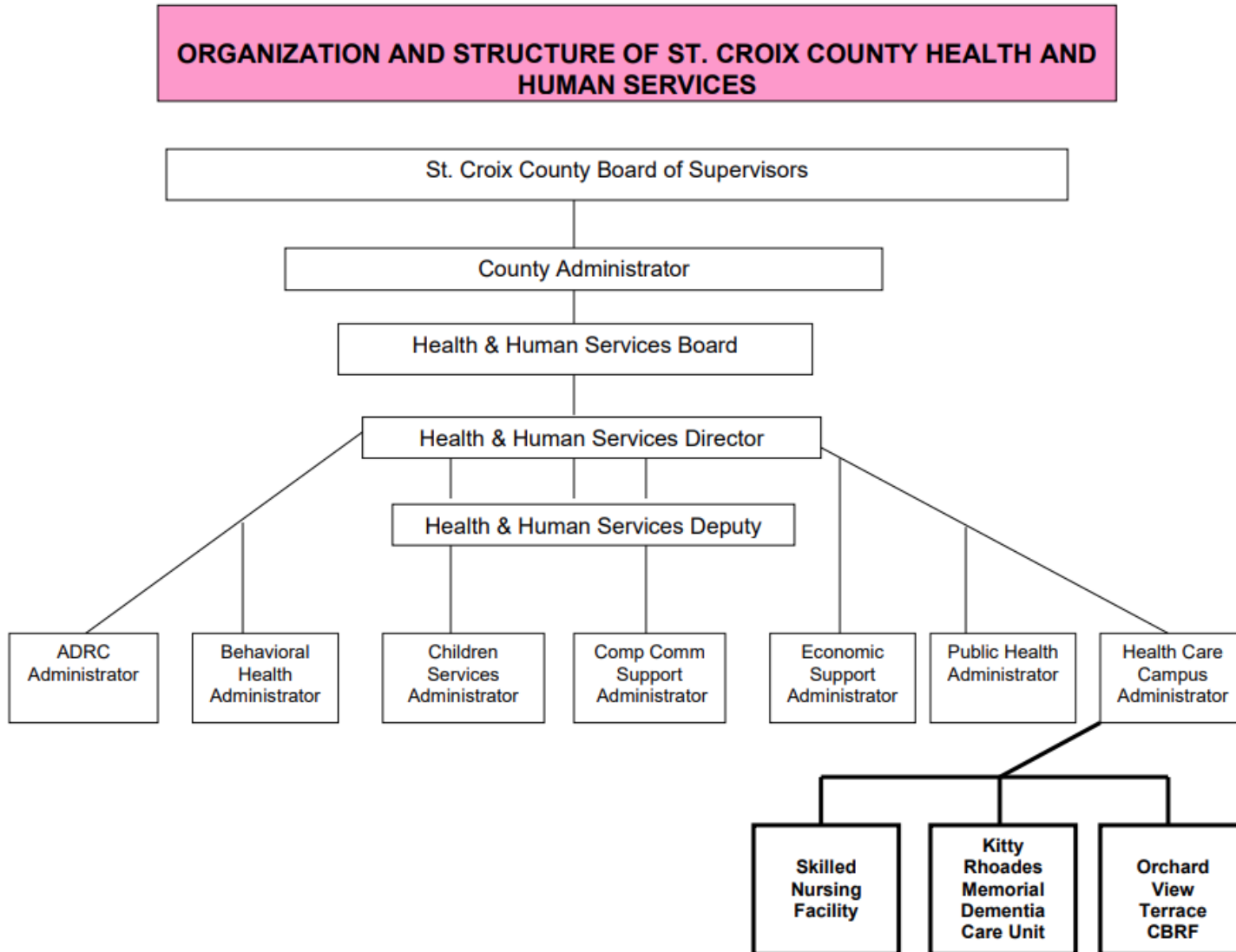
Organization Chart

HEALTH CARE CAMPUS



ST. CROIX COUNTY HEALTH CARE CAMPUS
SCHEDULE OF PROVIDER SUPPLIED SCHEDULES
DECEMBER 31, 2024

Organization Chart



**ST. CROIX COUNTY HEALTH CARE CAMPUS
SCHEDULE OF SUPPLEMENTAL REQUIREMENTS
YEAR ENDED DECEMBER 31, 2024**

Direct Care

1. Were total salaries reported on the financial statements for the most recent fiscal year-end subject to audit? X yes no n/a
2. Does the provider's supplied information include any unallowed positions that are listed on the list of unallowed position titles published by WI DHS? yes X no n/a
3. Was provider's supplied direct care information subject to audit? X yes no n/a

Capital Additions and Depreciation

1. Was the provider's schedule of capital additions subject to audit? X yes no n/a

Loans and Leases

1. Was the provider's schedule of loans and leases subject to audit? X yes no n/a
2. Do provider schedules include uncorrected entries on the list of items not allowable for Medicaid nursing home per-diem reimbursement published by WI DHS? yes X no n/a
3. Do provider schedules include indication/non-indication of any loans or leases from or to related parties? yes X no n/a
4. Do provider schedules include any indication/non-indication of loans or leases previously disallowed by WI DHS? yes X no n/a

**ST. CROIX COUNTY HEALTH CARE CAMPUS
SCHEDULE OF SUPPLEMENTAL REQUIREMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Other Information

- Were audit exceptions identified in relation to the Wisconsin Medicaid Nursing Home GAAP Financial Audit Requirements?
 1. Fixed asset additions were identified that did not have a proper useful life in accordance with the American Hospital Association guidelines. This resulted in a total \$672.64 overstatement to depreciation in 2024. The overstatement and understatement by fixed asset were as follows:

Asset Description	2024 Overstatement (Understatement)
Parking lot seal and stripe [13130]	(2,127.28)
E-Z Way Lifts (2) for NH [13063]	445.72
Grease Trap [13118]	665.25
Irrigation at Health Center [13129]	404.62
Nursing Home Kitchen Exhaust [13116]	869.00
Power recliners (5) for Nursing home [13062]	415.33

- Describe the cost allocation or shared overhead and direct services between programs or lines of business:

Shared cost centers are allocated to the SNF based on specific criteria to ensure accurate cost reporting, including:

1. Direct Costs: These costs are allocated to the appropriate department.
2. Facility Costs: These costs are allocated based on square footage of each facility.
3. Insurance and Other Costs: These costs are allocated based on set percentage per department and insurance coverage.

These allocation methodologies ensure that the SNF's financials accurately reflect the costs associated with its operations within the broader campus context.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Human Services Board
St. Croix County Health Care Campus
New Richmond, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Controller General of the United States, the financial statements of St. Croix County Health Care Campus, which collectively comprise St. Croix County Health Care Campus' basic financial statements as listed in the table of contents as of December 31, 2024, and have issued our report thereon dated June 11, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing an audit of the financial statements, we considered St. Croix County Health Care Campus' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Croix County Health Care Campus' internal control. Accordingly, we do not express an opinion on the effectiveness of St. Croix County Health Care Campus' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

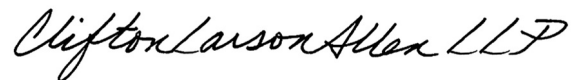
As part of obtaining reasonable assurance about whether St. Croix County Health Care Campus' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

St. Croix County Health Care Campus' Response to Findings

Government Auditing Standards required the auditor to perform limited procedures on St. Croix County Health Care Campus' response to the findings identified in our audit are described in the accompanying schedule of findings and responses. St. Croix County Health Care Campus' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of St. Croix County Health Care Campus' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Croix County Health Care Campus' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
June 11, 2025

**ST. CROIX COUNTY HEALTH CARE CAMPUS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2024**

FINDING: 2024-001

Material Audit Adjustments, Material Weakness

Criteria:	The Home should have controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.
Condition:	The audit firm proposed and the Home posted to its general ledger accounts adjusting journal entries for correcting certain misstatements. These adjustments were considered to be material for the fair presentation of the financial statements.
Context:	The Home has informed us that they will review adjustments proposed by us and will endeavor to minimize the number and amount of proposed adjustments in future audits, but will continue to rely upon the audit firm to propose such audit adjustments as are necessary to adjust accounts in accordance with Generally Accepted Accounting Principles (GAAP). Management will review and approve those entries prior to recording them.
Cause:	The Home has not established controls to ensure that all accounts are adjusted to their appropriate year-end balances in accordance with GAAP.
Effect:	The potential exists that a misstatement of the annual financial statements could occur and not be prevented or detected by the Home's internal controls.
Repeat Finding:	See 2023-001.
Recommendation:	The Home should continue to evaluate their internal staff and expertise to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year-end balances in accordance with GAAP.
Views of Responsible Officials and Planned Corrective Actions:	The Home will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review and approve these entries prior to recording them. The Administrator is the official responsible for ensuring corrective action of the deficiency.



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