



Northcentral
TECHNICAL COLLEGE

2017

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**



**YEARS ENDED
JUNE 30, 2017 & 2016**

NORTHCENTRAL TECHNICAL COLLEGE | 1000 W. CAMPUS DRIVE, WAUSAU, WI 54401
715.675.3331 | 888.682.7144 | www.ntc.edu

Northcentral Technical College District

Comprehensive Annual Financial Report

Years Ended June 30, 2017 and 2016

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INTRODUCTORY SECTION

YEARS ENDED 2017 & 2016

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

December 5, 2017

To the Citizens, Board of Directors, and College Community of the Northcentral Technical College District:

The Comprehensive Annual Financial Report (CAFR) for Northcentral Technical College District ("NTC" or the "College") for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. The presented data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the College. All disclosures necessary to enable the reader to gain an understanding of NTC's financial activities have been included.

State law requires the College publish a complete set of audited financial statements within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2017. In addition to meeting legal reporting requirements, this report is intended to present a comprehensive summary of the significant financial data of the College in a readable format to meet the varying needs of the District's citizens, taxpayers, students, employees, financial institutions, intergovernmental agencies, and Wisconsin Technical College System.

NTC is required to undergo an annual single audit in accordance with the provisions of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Wisconsin Department of Administration publication, *State Single Audit Guidelines*. Information related to the requirements and compliance with this single audit can be found in the single audit section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Vision, Mission, Community Benefit Statements, and Core Beliefs/Values

Vision

Building futures as your college of choice, one learner, one employer, and one community at a time.

Mission

Northcentral Technical College provides high-quality, learner and employer focused, educational pathways committed to enriching lives and strengthening the economy.

Community Benefit Statements

Northcentral Technical College benefits communities throughout its District.

1. Learners have the knowledge and skills essential to obtain, maintain, or advance in employment and higher education.
2. Employers have an available and skilled workforce.
3. Communities have the capacity to foster domestic and global economic growth.

Core Beliefs/Values

These guiding principles and values are inherent at Northcentral Technical College.

Learner Focus

We believe in and promote an engaging life-long learning environment that supports learners as they realize their educational and career goals.

Continuous Improvement

We believe in and promote the continuous improvement of learning, support systems and processes to meet learner, employer and community needs.

Ingenuity

We believe in and promote a learning environment that fosters innovation and entrepreneurship.

Access

We believe in and promote flexible educational opportunities to serve all learning communities.

Service to Community

We believe in and promote service to our communities through leadership, collaboration and volunteerism.

Diversity

We believe in and promote an inclusive environment that celebrates, embraces and respects individual differences.

Culture of Professionalism

We believe in and promote a culture of knowledgeable, forward-thinking, accountable, caring, and collaborative employees who act with integrity and respect.

Advocacy

We believe in and promote the success of our learners, employers, and communities.

Profile of the NTC District

NTC is a customer-focused, accessible provider of innovative lifelong learning that builds a globally competitive workforce. The College's 5,900 square mile, 10-county district includes six convenient campus locations in Wausau, Antigo, Medford, Phillips, Spencer, and Wittenberg, as well as a Public Safety Center of Excellence in Merrill, a Wood Technology Center of Excellence in Antigo and an Agriculture Center of Excellence just north of the Wausau Campus in the Village of Maine. The Wausau Campus also features a Center for Health Sciences, Center for Business & Industry, Information Technology & Entrepreneurial Center (iTEC), Advanced Manufacturing and Engineering Center of Excellence, and a Center for Geriatric Education.

The College currently offers over 190 associate degree programs, technical diplomas, and short-term certificate options, with many credits transferring to Wisconsin's four-year public and private colleges, creating a seamless path for lifelong learning. Through a variety of flexible course options (www.ntc.edu/flex), NTC is providing an additional opportunity for learners to receive a degree or certification through flexible learning opportunities including late starts, Virtual College, and Winterim courses. Additional services include programming in English Language Learning, Adult Basic Education, and HSED/GED, as well as an Academic Resource Center and College Prep Center.

NTC is also closely connected to the local business community through the training and development of incumbent workers. The College's Business & Industry team works with local businesses to offer customized training, technical assistance, and professional development opportunities. NTC's Continuing Education team provides educational offerings designed to help individuals gain needed education for career advancement or change, meet professional certification and licensing requirements, and develop new skills to be successful in today's competitive workforce.

Economic Condition

Local Economy

Much of north central Wisconsin is in alignment with the overall statewide unemployment rate, which is lower than the national unemployment rate. For August 2017, four counties in the NTC District - Langlade, Lincoln, Menominee, and Price - are experiencing unemployment rates at or above the state rate. Menominee County is experiencing the highest rate in the state at 7.5 percent.

State Economy

As the need for skilled workers grows, especially in a climate of low unemployment, there will continue to be a demand for the educational services provided by NTC. The College continues to implement cost-saving measures to mitigate the state budget impact on student enrollments and services provided by the College to students and businesses within the District. Declining state aids underscore the importance of prudent fiscal management and long-term planning at NTC.

Financial Policies

Northcentral Technical College is committed to the development of sound management systems and effective internal controls. Significant efforts are made to employ qualified personnel. Similarly, systems are conscientiously developed to provide appropriate levels of supervision and segregation of duties.

Internal Controls

Management of the College is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the government are protected from loss, theft, or misuse, and to ensure the reliability of financial and accounting records to allow for the preparation of financial statements in accordance with accounting principles generally accepted in the United States. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

In addition, as a recipient of state and federal financial assistance, the College is responsible for maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs.

We believe the College's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Long-Term Financial Planning and Budgeting

Five-year budget projections are maintained on an ongoing basis for both the operating budget and the capital budget. These projections forecast future revenues, expenditures, borrowing, and fund balance levels to monitor compliance with the District Board policies and guidelines.

The College's annual budget is prepared in accordance with the requirements of the Wisconsin Technical College System Board. The annual planning and budgeting process is an integrated collaborative effort with direction from the District Board and involvement across all levels of the College. The District Board is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation of NTC's financial planning and control. The budget is prepared by fund, function, and department.

Budgetary responsibility is decentralized to leaders of various cost centers. Review of budgets and budgeted activities are performed by the administration and the District Board. Starting in November and ending in May, NTC leaders prepare, present, and modify budget plans for the coming year. Between February and May, the District Board reviews budget plans to ensure consistency with NTC's mission, vision, and strategic planning process. In May and June, respectively, the District Board approves the budget for a public hearing, and a public hearing is conducted. Before June 30, the District Board adopts the budget for the succeeding year in accordance with State Statutes. When the District Board adopts the budget, it establishes the proposed dollar amount of the operational and debt service tax levy, not the final mill rates. Actual valuation figures are not available until October, at which time operational and debt service mill rates are established.

As demonstrated by the statements and schedules included in the financial section of this report, the College continues to meet its responsibility for sound financial management.

Independent Audit

Wipfli LLP, Certified Public Accountants, has issued an unmodified (“clean”) opinion on Northcentral Technical College District’s financial statements for the year ended June 30, 2017. The independent auditor’s report is located at the front of the financial section of this report. The auditors’ reports that relate specifically to the single audit are included in the single audit section.

Excellence in Financial Reporting

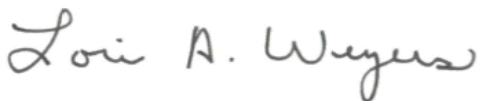
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northcentral Technical College for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the 21st consecutive year that NTC has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgment

The timely preparation of this report was accomplished through the cooperative and concerted efforts of the Financial Services and Marketing and Public Relations offices of Northcentral Technical College and with the professional services of the District’s independent audit firm of Wipfli LLP. We express our appreciation to our dedicated staff for their many long hours in the preparation of this report. In addition, we convey our appreciation to the District Board for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,



Dr. Lori A. Weyers
President



Roxanne Lutgen, CPA, CISA, MBA
Vice President, Finance and
Chief Financial Officer

NORTHCENTRAL TECHNICAL COLLEGE DISTRICT

Wausau, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2017

MEMBERS OF THE BOARD



Tom Felch
Chairperson



Paul Proulx
Vice Chairperson



Maria Volpe
Secretary/Treasurer



Doug Faragher
Member



Lee Lo
Member



Kristine Gilmore
Member



Ruth Risley-Gray
Member



Dale Smith
Member



Charlie Paulson
Member

Executive Leadership Team

Dr. Lori A. Weyers, President; Dr. Jeannie Worden, Executive Vice President; Dr. Vicki Jeppesen, Vice President of College Advancement; Darren Ackley, Vice President for Learning; Roxanne Lutgen, Vice President of Finance and Chief Financial Officer; Vacant, Associate Vice President of Human Resources; Dr. Chet Strebe, Associate Vice President of Information Technology and Chief Information Officer; Rob Elliott, Associate Vice President of Facilities Management; Katie Felch, Associate Vice President of Marketing, Public Relations, and Legislative Advocacy.

Report Prepared By

Roxanne Lutgen, MBA, CPA, CISA, CGMA, Vice President of Finance and Chief Financial Officer
Stefanie Ganser, Controller
Sara Melk, College Advancement Accountant

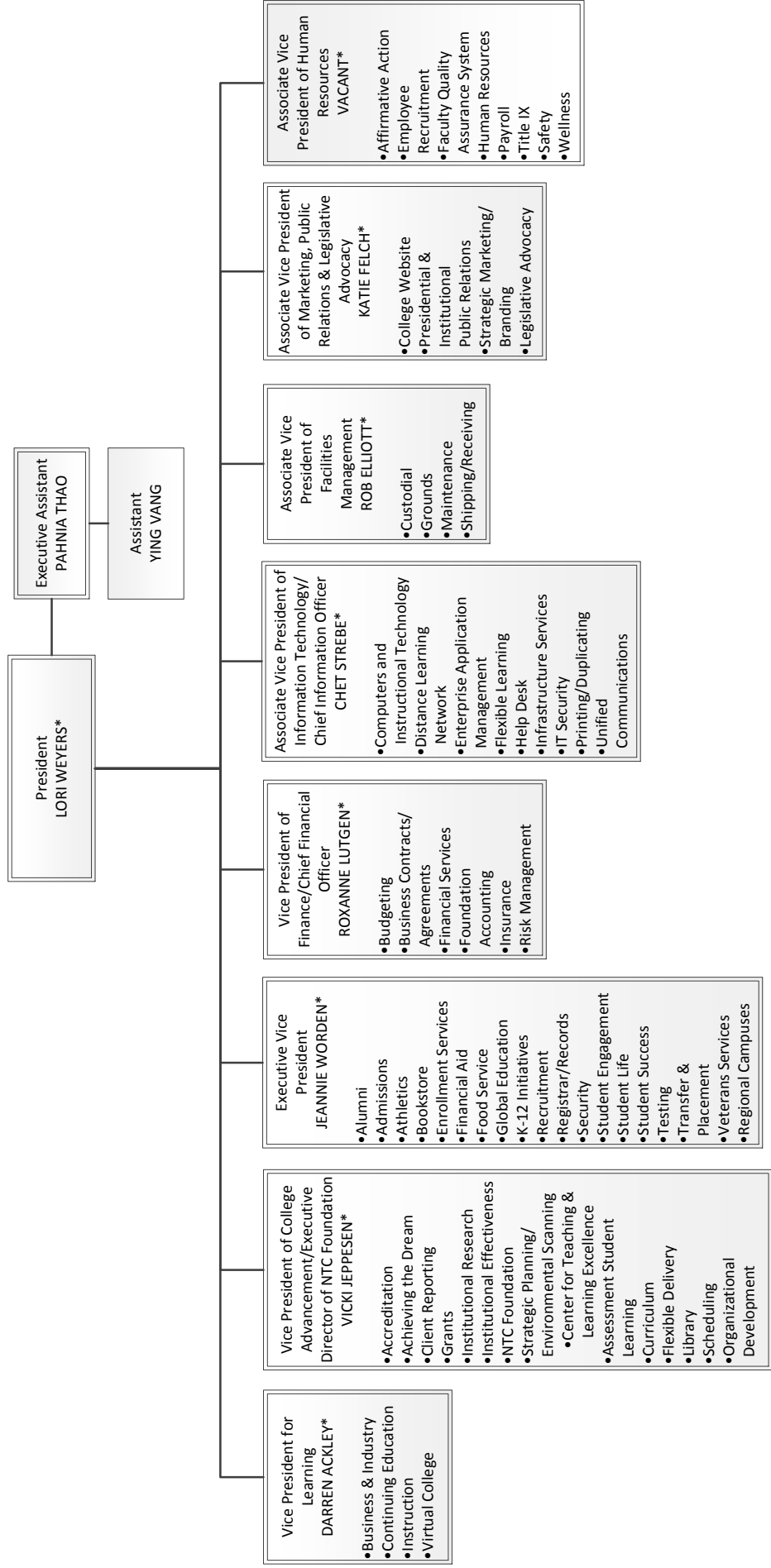
**Northcentral Technical College District
Board Members**

June 30, 2017

<u>Board Member</u>	<u>Member Category</u>	<u>Term Expires</u>	<u>Employer</u>
Tom Felch <i>Chairperson</i>	Employer Member	6/30/20	President, J&D Tube Benders, Inc.
Paul Proulx <i>Vice Chairperson</i>	Employer Member	6/30/20	Owner, Proulx's Professional Services
Maria Volpe <i>Secretary/Treasurer</i>	Employee Member	6/30/20	Corporate Trainer, Church Mutual Insurance Company
Douglas Faragher	Employee Member	6/30/20	President, Amron "A Division of AMTEC Corp."
Lee Lo	Additional Member	6/30/19	Administrator and Owner, Compassion Personal Home Care
Dr. Kristine Gilmore	School District Administrator	6/30/18	Superintendent, D.C. Everest Area School District
Ruth Risley-Gray	Employer Member	6/30/18	SVP - System CNO, Aspirus
Dale Smith	Employee Member	6/30/18	Delivery Coordinator, Menard's Inc.
Charlie Paulson	Additional Member	6/30/20	VP of Commercial Lending, Nicolet National Bank

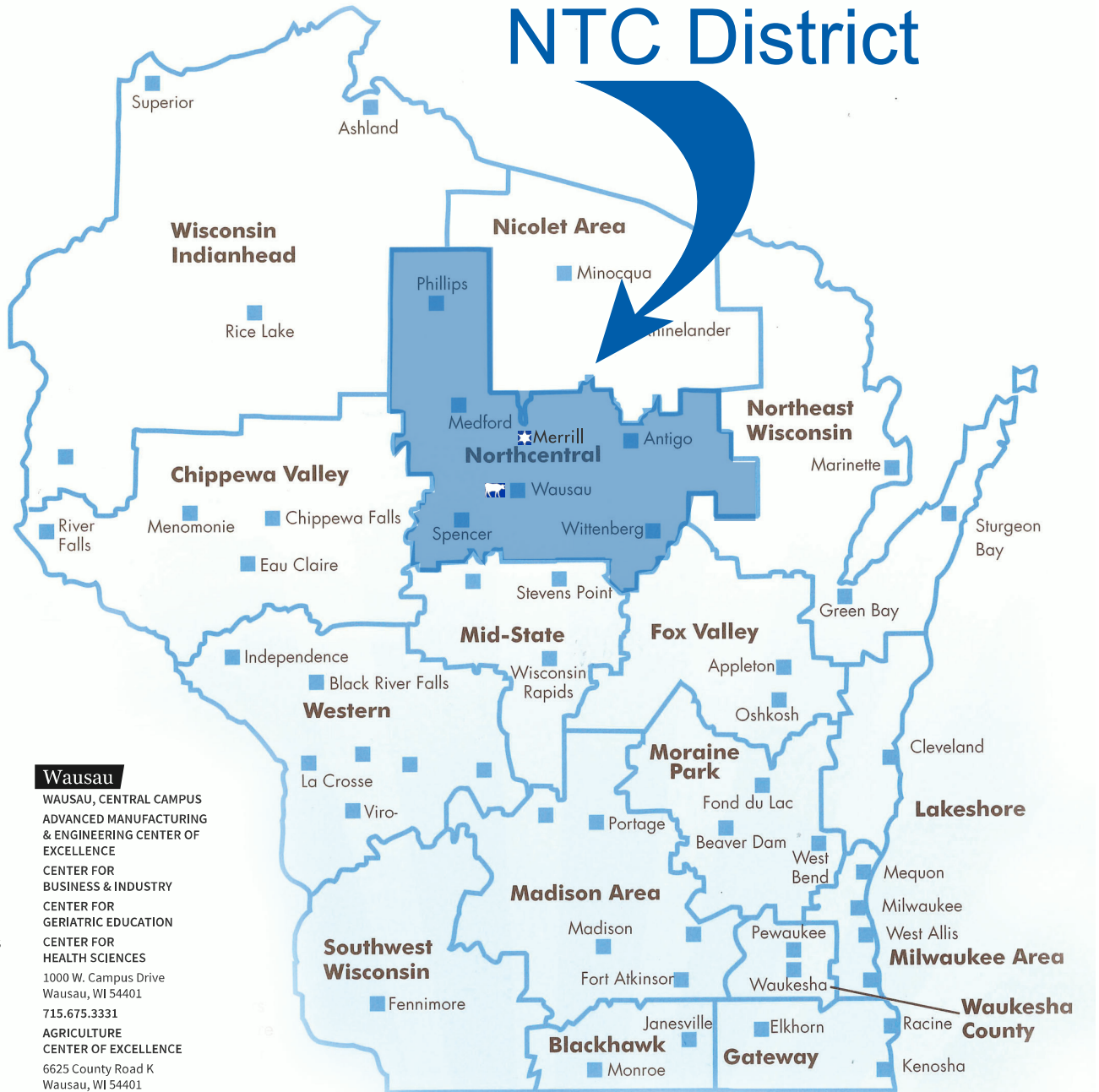
Note: The current NTC Board is composed of nine (9) members, all of who are District residents. The membership consists of four (4) Employer members; two (2) Employee members; two (2) Additional members; and one (1) School District Administrator. An appointment committee, consisting of the chair of each of the ten (10) counties wholly or partly in the District, makes the board member appointments. Members of the board take office on July 1 and serve staggered three-year terms.
Section 30.08, Wis. Stats.

NORTHCENTRAL TECHNICAL COLLEGE ORGANIZATIONAL CHART



* The President's Executive Leadership Team (ELT)
10/30/2017

NTC District



Antigo

ANTIGO, EAST CAMPUS
WOOD TECHNOLOGY
CENTER OF EXCELLENCE
312 Forrest Avenue
Antigo, WI 54409
715.623.7601

Medford

MEDFORD, WEST CAMPUS
1001 Progressive Avenue
Medford, WI 54451
715.748.3603

Merrill

PUBLIC SAFETY
CENTER OF EXCELLENCE
1603 Champagne Street
Merrill, WI 54452
715.675.3331

Phillips

PHILLIPS, NORTH CAMPUS
1408 Pine Ridge Road
Phillips, WI 54555
715.339.4555

Spencer

SPENCER, SOUTHEAST CAMPUS
808 N. Pacific Street
Spencer, WI 54479
715.659.5120

Wausau

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ADVANCED MANUFACTURING
& ENGINEERING CENTER OF
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BUSINESS & INDUSTRY
CENTER FOR
GERIATRIC EDUCATION
CENTER FOR
HEALTH SCIENCES
1000 W. Campus Drive
Wausau, WI 54401
715.675.3331
AGRICULTURE
CENTER OF EXCELLENCE
6625 County Road K
Wausau, WI 54401
715.675.3331

Wittenberg

WITTENBERG,
SOUTHEAST CAMPUS
402 N. Genesee Street, Suite 3
Wittenberg, WI 54499
715.253.3500



For more location
information visit
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Government Finance Officers Association

**Certificate of
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**Northcentral Technical College District
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

YEARS ENDED 2017 & 2016

COMPREHENSIVE
ANNUAL FINANCIAL REPORT



Independent Auditor's Report

District Board
Northcentral Technical College District
Wausau, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of Northcentral Technical College District (the "District"), as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northcentral Technical College District as of June 30, 2017 and 2016, and the changes in its financial position and its cash flows for the years ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 14 through 22, the schedule of funding progress - other postemployment benefit plans and the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System on pages 56 and 57 be presented to supplement the basic financial statements. Such 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 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, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, and are also not a required part of the basic financial statements. The budgetary comparison schedules and schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The budgetary comparison schedules and the accompanying schedules of expenditures of federal and state awards have 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 records used to compare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the budgetary comparison schedules and the accompanying schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2017, on our consideration of the District's 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 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 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 the District's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

December 4, 2017
Rhineland, Wisconsin

Management Discussion and Analysis

Northcentral Technical College District

Management's Discussion and Analysis

Year ended June 30, 2017

Northcentral Technical College District's ("NTC", the "College", or the "District") Management Discussion and Analysis (MD&A) of its financial condition provides an overview of financial activity, identifies changes in financial positions, and assists the reader of these financial statements in focusing on noteworthy financial issues for the years ended June 30, 2017 and 2016.

While maintaining its financial health is crucial to the long-term viability of NTC, the primary mission of a public institution of higher education is to provide education and training. Therefore, net position is accumulated only as required to ensure there are sufficient reserve funds for future operations and implementation of new initiatives. The MD&A provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements.

This comprehensive annual financial report consists of a series of financial statements, prepared in accordance with accounting principles generally accepted in the United States, as stated in the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during the year. Activities performed by the College are classified as either operating or nonoperating activities. In general, a public college such as NTC will report an overall operating deficit or loss, as the financial reporting model classifies state appropriations and property taxes as nonoperating revenues. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

Following is a condensed version of the Statement of Revenues, Expenses, and Changes in Net Position:

	2017	<u>Increase or (Decrease)</u> %	2016	<u>Increase or (Decrease)</u> %	2015
Operating revenues					
Student fees	\$ 5,362,048	(8.7)	\$ 5,872,637	13.5	\$ 5,173,622
Federal grants	9,096,043	(12.2)	10,358,425	(8.2)	11,282,402
State grants	4,545,926	(14.8)	5,336,002	8.3	4,926,646
Contract revenues	3,006,216	1.7	2,956,613	3.9	2,846,346
Auxiliary revenues	2,669,422	(12.2)	3,041,570	(6.6)	3,255,858
Miscellaneous	1,473,424	73.5	849,434	(28.8)	1,192,697
Total operating revenues	26,153,079	(8.0)	28,414,681	(0.9)	28,677,571
Nonoperating revenues:					
Property taxes	19,742,496	2.6	19,233,396	4.2	18,457,033
State appropriations	19,254,123	1.5	18,968,541	(1.1)	19,177,118
Investment income	126,786	43.4	88,442	17.1	75,530
Total nonoperating revenues	39,123,405	2.2	38,290,379	1.5	37,709,681
Total revenues	65,276,484	(2.1)	66,705,060	0.5	66,387,252
Operating expenses:					
Instruction	30,969,598	(0.8)	31,222,474	0.3	31,142,075
Instructional resources	1,822,605	(0.2)	1,826,568	9.2	1,673,428
Student services	4,113,066	(1.2)	4,164,310	(0.6)	4,191,157
General institutional	12,527,972	2.5	12,217,744	12.2	10,890,678
Physical plant	4,409,893	3.0	4,280,141	(10.2)	4,767,258
Auxiliary enterprise services	3,027,776	(12.8)	3,472,975	2.5	3,389,300
Depreciation	12,027,408	60.5	7,494,047	20.2	6,234,479
Student aid	1,606,644	(39.6)	2,659,220	(11.5)	3,003,411
Total operating expenses	70,504,962	4.7	67,337,479	3.1	65,291,786
Nonoperating expenses:					
Loss on disposal of capital assets	797,071	4,687.5	16,649	100.0	
Interest expense	602,618	30.6	461,430	1.5	454,482
Transfer of capital assets to Wausau Community Area Network					1,593,733
Total nonoperating expenses	1,399,689	192.8	478,079	(76.7)	2,048,215
Total expenses	71,904,651	6.0	67,815,558	0.7	67,340,001
Decrease in net position	(6,628,167)	<u>496.9</u>	(1,110,498)	<u>16.6</u>	(952,749)
Net position - Beginning of the year	58,299,251		65,177,655		58,190,756
Cumulative effect of accounting change*			(5,767,906)		7,939,648
Net position - End of year	\$ 51,671,084		\$ 58,299,251		\$ 65,177,655

*In 2016, the District adopted GASB 75 related to postemployment benefits and in 2015, the District adopted GASB 68 related to pensions.

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

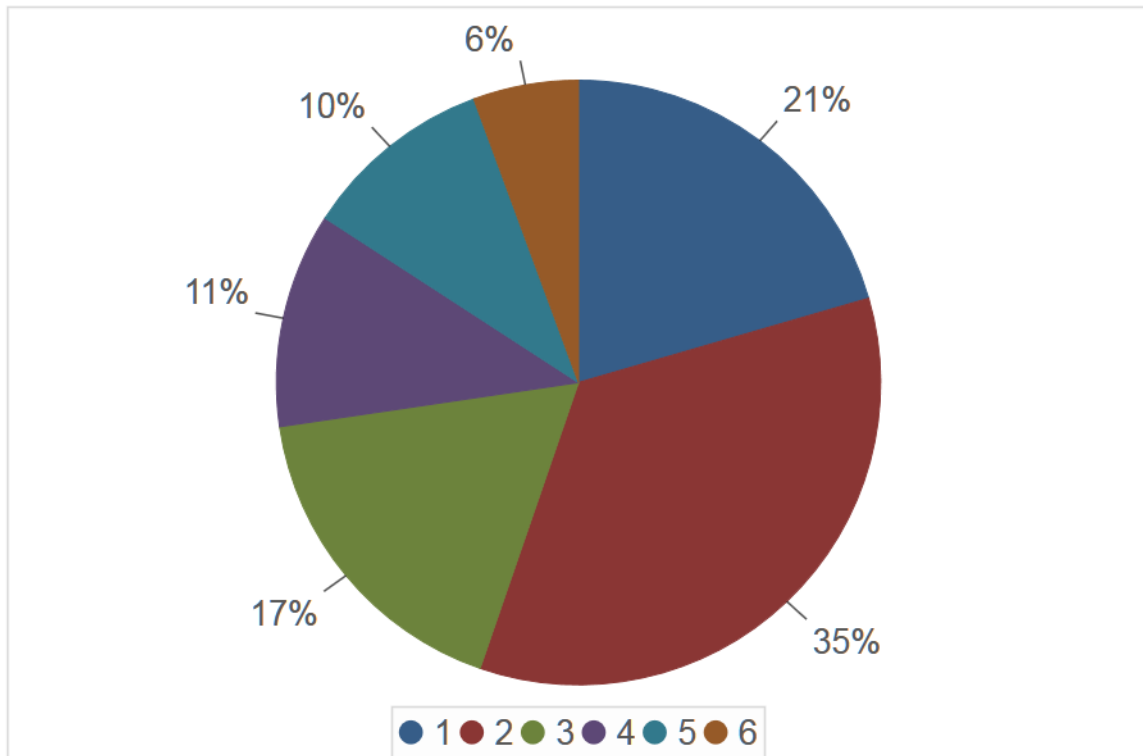
Some of the noteworthy operations for the current year are reflected below:

Operating revenues are the charges for services offered by the College. During 2017, the College generated \$26.2 million of operating revenues for the offering of services, down 8.0% from 2016 (\$28.4 million), which was down 0.9% from 2015 (\$28.7 million). Significant items and revenue sources are as follows:

- Student fees decreased to \$5.4 million in fiscal year 2017, compared to \$5.9 million in 2016 and \$5.2 million in 2015. Total revenues from program, material, and other student fees were approximately \$11.3 million, down 4.5% before scholarship allowances.
- Nearly \$13.6 million in operating revenues from state and federal grants were earned by the District during the year, compared to \$15.7 million in 2016 and \$16.2 million in 2015. The fluctuation in federal revenue, a 12.2% decrease in 2017 was due to reductions in Federal grant funding, including Federal financial aid, primarily Pell grant and Stafford loan dollars. The 14.8% decrease in state revenue in 2017 was due to changes in state funding, including Wisconsin Fast Forward Blueprint and High School Pupil Grants ending in October and December 2016, respectively, and State financial aid, including Wisconsin Higher Education Grant funding, Great Lakes Supplementary Grant funding, Talent Incentive Program - State (TIPS) funding, and Wisconsin Covenant Grant funding.
- Contract revenues of \$3.0 million for the year represent revenues from instructional and technical assistance contracts with businesses and industries as well as local school districts. The 1.7% increase in contract revenues represents additional customized instruction and dual credit contracts over the prior year.
- Auxiliary enterprise revenues include revenues generated by the campus store, food service, dental clinic, self-funded insurances, and other similar activities of the College. These activities generated revenues of approximately \$2.7 million this year, a decrease of 12.2% from the prior year. Reductions were due to a decline in campus store revenues, as well as a reduction in self-funded insurances dollars flowing through internal services funds.
- Miscellaneous revenue increased 73.5% in 2017 to nearly \$1.5 million, which had declined the prior fiscal year 28.8%. This revenue category includes donation revenue for both operations and capital projects, and accounts for the majority of the increase in 2017.

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

The graph below depicts the District's operating revenue by source.



Revenue Source:	Amount	% of Total
1 - Student fees	\$ 5,362,048	21 %
2 - Federal grants	9,096,043	35 %
3 - State grants	4,545,926	17 %
4 - Contract revenues	3,006,216	11 %
5 - Auxiliary revenues	2,669,422	10 %
6 - Miscellaneous	1,473,424	6 %

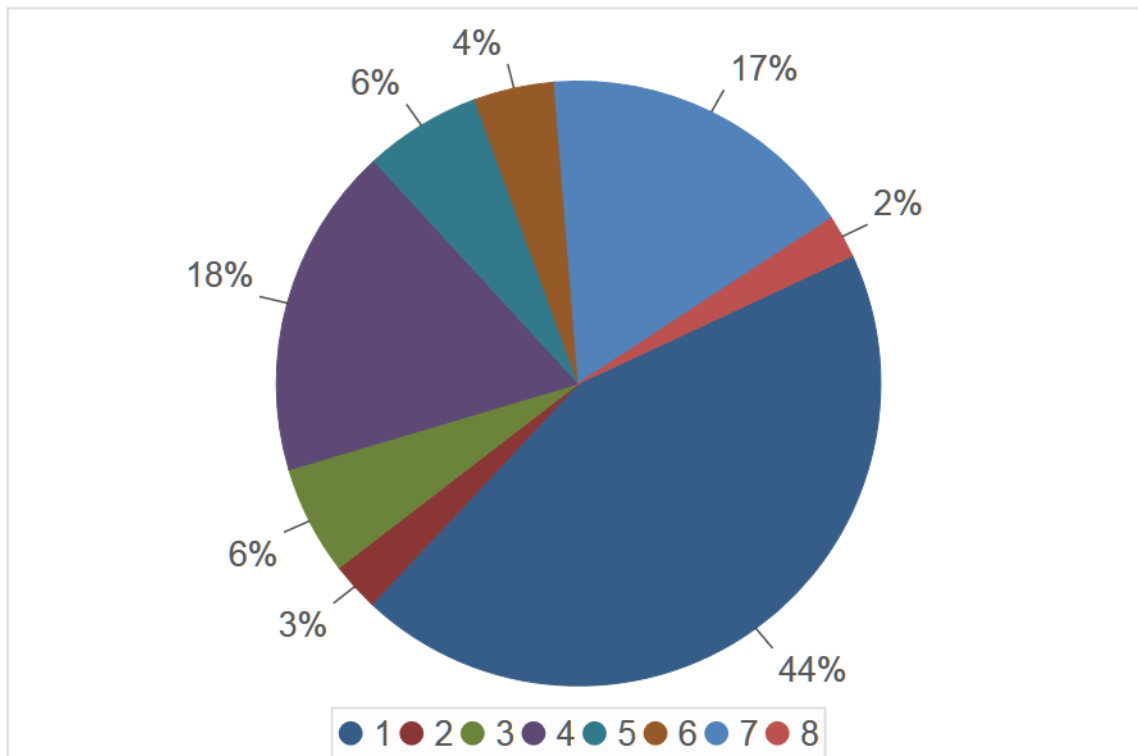
Operating expenses are costs related to offering the programs of the District. During 2017, operating expenses totaled over \$70.5 million, up from \$67.3 million in 2016. The majority of the District's expenses, about 58%, are for personnel related costs. Other major types of expenses include supplies and minor equipment (8%), contracted services (8%), depreciation (17%), and student aid (2%). Expenses such as travel, printing, advertising, repairs and maintenance, rentals, insurance, utilities, and other expenses account for the remaining 7% of total operating expenses. (See Note 13 to the Financial Statements for details.)

- Salaries decreased \$232,779 or 0.8% in 2017 and increased \$115,019 or 0.4% in 2016.
- Employee benefit expenses decreased \$520,739 or 4.3% in 2017 and increased \$98,795 or 0.8% in 2016.
- NTC experienced increased costs related to travel, memberships and subscriptions, contracted services, and depreciation.

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

- NTC saw a decrease in costs related to supplies and minor equipment, postage, printing and advertising, repairs and maintenance, rentals, insurance, utilities, and student aid.
- Student financial aid awards (excluding student loans) decreased 39% in 2017, most of which was due to a decrease in grants available/awarded; student financial aid awards (excluding student loans) decreased 6% in 2016, also due to a decrease in grants available/awarded.

The graph below categorized operating expenses by function.



Expenses:	Amount	% of Total
1 - Instruction	\$ 30,969,598	44 %
2 - Instructional resources	1,822,605	3 %
3 - Student services	4,113,066	6 %
4 - General institutional	12,527,972	18 %
5 - Physical plant	4,409,893	6 %
6 - Auxiliary enterprise services	3,027,776	4 %
7 - Depreciation	12,027,408	17 %
8 - Student aid	1,606,644	2 %

Nonoperating revenues and expenses are items not directly related to providing instruction. Net nonoperating revenues for the year ended June 30, 2017, were approximately \$39.1 million. The most significant components of net nonoperating revenues include the following:

- Property taxes levied by the District for the year were approximately \$19.7 million, a 2.6% or \$509,100 increase from the prior fiscal year, due to property taxes levied for net new construction and for retirement of debt. The prior year increase of 4.2% was also due to property taxes levied for net new construction and for retirement of debt.

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

- State operating appropriations accounted for approximately \$19.3 million in revenues in 2017, up from \$19.0 million in 2016, which had decreased from \$19.2 million in 2015.
- Investment income was up 43.4% or \$38,344 during 2017. Investment income saw an increase of 17.1%, amounting to \$12,912 during 2016.
- Interest expense of \$602,618 was recorded by the District this year, up 30.6% from \$461,430 in 2016, which increased 1.5% from \$454,482 in 2015.
- Net position at June 30, 2017, was \$51,671,084 as a result of the above activity.

Statement of Cash Flows

The statement of cash flows presents information related to cash inflows and outflows, summarized by operating, noncapital and capital financing, and investing activities. This statement is important in evaluating the District's ability to meet financial obligations as they mature.

The following schedule shows the major components of the statement of cash flows.

	2017	<u>Increase or (Decrease)</u> %	2016	<u>Increase or (Decrease)</u> %	2015
Cash used in operating activities	\$ (30,042,844)	(2.0)	\$ (30,652,176)	0.6	\$ (30,463,806)
Cash provided by noncapital financing activities	39,021,710	2.5	38,078,037	(8.3)	41,540,397
Cash used in capital and related financing activities	(10,044,659)	325.5	(2,360,618)	(71.0)	(8,137,834)
Cash provided by (used in) investing activities	126,786	43.4	88,442	(98.4)	5,605,734
Net increase (decrease) in cash and cash equivalents	<u>\$ (939,007)</u>		<u>\$ 5,153,685</u>		<u>\$ 8,544,491</u>

Specific items of interest related to the statement of cash flows include the following:

- The largest component of cash used in operating activities is typically payments to suppliers for the cost of doing business. Approximately \$33.7 million was paid in 2017, as compared to \$30.0 million in 2016, and \$28.6 million in 2015.
- Another significant component of operating cash flows was payments to employees. This cash outflow of \$22.9 million represents the costs of salaries/wages and benefits (\$29.5 in 2016 and \$29.0 million in 2015).

Statement of Cash Flows (Continued)

- The largest cash inflows from operating activities included over \$5.3 million in student fees and \$14.0 million in state and federal grants, as compared to \$5.7 million and \$16.1 million, respectively in 2016, and \$5.1 million and \$15.0 million, respectively in 2015.
- All property taxes received, almost \$19.8 million this year, are categorized as cash flows from noncapital financing activities (\$19.1 million in 2016 and \$22.4 million in 2015). The other major item in this category is state appropriations, which accounted for \$19.3 million of positive cash flow (\$19.0 million in 2016 and \$19.2 million in 2015).
- Investment income is interest received on the District's investments.
- Overall, the District's cash had a decrease of \$939,007 for the current fiscal year.

Statement of Net Position

The statement of net position includes all assets (items the District owns and amounts owed to the District by others) and liabilities (amounts owed to others by the District and what has been collected from others for which a service has not yet been performed). This statement is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided, and expense and liabilities are recognized when others provide the service to the District regardless of when cash is exchanged.

Below are the highlights of the components of the statement of net position:

	2017	Increase or (Decrease) %	2016	Increase or (Decrease) %	2015
Assets					
Cash and cash equivalents	\$ 38,004,132	(2.4)	\$ 38,943,139	15.3	\$ 33,789,454
Net capital assets	56,342,952	(6.0)	59,961,950	1.0	59,367,949
Other assets	9,390,625	(4.2)	9,803,198	(33.3)	14,699,144
Total assets	103,737,709	(4.6)	108,708,287	0.8	107,856,547
Deferred outflows of resources	11,619,983	(28.2)	16,175,049	342.8	3,652,908
Liabilities:					
Current liabilities	15,070,382	(2.5)	15,463,385	21.6	12,717,382
Noncurrent liabilities	43,928,307	(2.2)	44,896,113	33.7	33,578,184
Total liabilities	58,998,689	(2.3)	60,359,498	30.4	46,295,566
Deferred inflows of resources	4,687,919	(24.7)	6,224,587	17,078.9	36,234
Net position:					
Net investment in capital assets	24,480,899	(14.1)	28,497,678	(1.9)	29,039,852
Restricted:					
Pension benefit		0.0		(100.0)	4,402,643
Debt service	9,388,527	(15.1)	11,063,982	9.3	10,121,109
Unrestricted	17,801,658	(5.0)	18,737,591	(13.3)	21,614,051
Total net position	\$ 51,671,084	(11.4)	\$ 58,299,251	(10.6)	\$ 65,177,655

Statement of Net Position (Continued)

A more detailed analysis would reveal the following facts:

- As shown above, the largest component of the District's assets is capital assets. Total cost of capital assets and accumulated depreciation at June 30, 2017, was approximately \$116.5 million and \$60.2 million, respectively. Capital assets at June 30, 2016, were \$111.4 million, with \$51.5 million accumulated depreciation and capital assets at June 30, 2015, were \$106.2 million, with accumulated depreciation of \$46.8 million.
- The other assets category is primarily made up of various accounts receivable balances, the largest being property taxes receivable of over \$5.6 million (\$5.6 million in 2016 and \$5.5 million in 2015).
- Current liabilities include accounts payable, various types of accruals, and the portion of longterm debt due within the next fiscal year. At yearend, the current portion of the District's longterm debt was just over \$10.5 million, as compared to \$10.9 million in 2016 and \$8.1 million in 2015.
- Noncurrent liabilities represent the portion of longterm debt due after fiscal year 2016-2017.

Capital Assets and Debt Administration

The District's investment in capital assets as of June 30, 2017, amounts to \$56,342,952 (net of accumulated depreciation). This includes land and land improvements, buildings and improvements, and moveable equipment.

The District completed several facilities-related projects at the Wausau and regional campuses during fiscal year 2016-2017. General maintenance projects totaled approximately \$195,000 and encompassed small remodeling projects such as ceiling tile replacement, drywall, carpeting, lighting, door replacement, and painting. Major site improvements at the Wausau campus included Asphalt Improvement, \$17,395; Curb, Gutter, and Sidewalk Replacement, \$73,044; Carpet Replacement, \$40,833; Heating, Ventilating, and Air Conditioning (HVAC) Upgrade, \$33,522.

Other remodeling projects completed on the Wausau campus included the Main Entrance/Community Room Addition, \$1,105,467; Continuous Improvement/Finance/IT, \$170,024; Student Success/Security, \$566,917; Campus Store, \$528,194; Culinary Arts, \$524,223; Simulation Center, \$585,781; Student Life, \$945,247; Alternative High School, \$27,321; A111 Reconfiguration, \$42,598; Kitchen Cosmetic Improvements, \$50,034; Miscellaneous Wausau Campus Projects, \$53,888.

Projects completed at regional campuses include the Antigo North Parking Lot, \$150,743; Antigo Smart Classroom renovations, \$15,358; Antigo Campus HVAC Upgrade, \$26,500; Spencer Shed, \$5,370; and \$3,000 for appraisal and engineering related to the Merrill Commercial Driver's License (CDL) Site donation valued at \$105,000.

Overall, the College spent \$403,000 on general furnishings. Safety and security of college students, staff, faculty, and administrators is an ongoing focus; therefore, the scope of several campus projects included security camera installations. In addition to inclusions within specific campus projects, NTC added cameras and other security-related equipment at a cost of approximately \$34,000, approximately \$2,400,000 on hardware, software, servers, data cabling, consulting, and other IT-related items, and nearly \$890,000 on additional High Definition (HD) Videoconferencing and Smart Classrooms throughout the district. Approximately \$1,545,000 was spent on general instructional-related equipment and another \$340,000 was spent on instructional equipment for multiple areas, funded by various grants.

Capital Assets and Debt Administration (Continued)

At fiscal year-end, NTC had several remodeling projects in progress, including the Merrill Tactical Safety Range Addition, Merrill CDL Site Development, Diesel Building purchase, Agriculture Center of Excellence Manure Tank Expansion, and Barn & Classroom Building Addition, the Wausau Campus H Building Roof Replacement, Bathroom Remodeling Projects in buildings F, H, and CHS, Timberwolf Suites Access Road, and STEM Center Remodel. Other projects in progress at the end of the year are the installation of Haas Automation instructional equipment, Smart Classroom and IVC Classroom Installations, Server Equipment, Website Development Project, Information Technology (IT) Consulting for Peoplesoft, and vehicle purchases. Construction in Progress at fiscal year-end totaled approximately \$2,292,000. Additional information on the District's capital assets can be found in Note 4 of the notes to the financial statements.

At the end of the 2017 fiscal year, the District had a total general obligation debt outstanding of \$45,225,000. The District bonds have a Moody's Investors Service rating of Aa1 and the District met all of its debt service requirements. All general obligation debt for equipment and building and remodeling is repaid in ten years. The debt is secured by the full faith and credit of the unlimited taxing powers of the Districts. The current debt adequately replaces and expands the equipment and facility needs of the Districts. Additional information on the District's long-term debt can be found in Note 5 of the notes to the financial statements.

Financial Position

In May 2005, the District's bond rating assigned by Moody's Investors Service was upgraded from Aa3 to Aa2 on total outstanding debt. In May 2006 through May 2009 this Aa2 rating was reaffirmed. In May 2010, this rating was recalibrated by Moody's Investors Service to Aa1, and has been reaffirmed each year through May 2017. The Aa1 rating reflects the District's sound financial operations supported by healthy reserves and trend of annual General Fund surpluses, ability to generate additional revenues under the state imposed operating mill rate cap, large tax base, and average debt burden with a very rapid rate of principle amortization.

The District has diversified sources of revenues consisting of property taxes, state aid, student fees, federal and state grants, and other sources to meet the expenses of the District. With a diversity of revenues, the District is poised to continue to obtain the resources to adequately finance normal enrollment over the next decade.

Economic Factors

Wisconsin continues to see historically low unemployment rates. Wisconsin's seasonally adjusted unemployment rate for August 2017 was 3.4 percent, lower than the national unemployment rate by one percentage point.

Four of the ten counties in the NTC District are experiencing unemployment rates at or above the state rate. In addition, Menominee County is experiencing the highest rate in the state at 7.5 percent.

NTC's ongoing challenge moving forward is to allocate existing resources to mitigate the skilled worker shortage, which will positively impact local economic growth.

Financial Statements

Northcentral Technical College District

Statements of Net Position

June 30, 2017 and 2016

<i>Assets and Deferred Outflows of Resources</i>	2017	2016
Current assets:		
Cash and cash equivalents	\$ 38,004,132	\$ 38,943,139
Property taxes receivable	5,607,687	5,632,778
Accounts and other receivables - Net	3,204,491	3,642,109
Inventories	394,811	379,115
Prepaid expenses	183,636	149,196
Total current assets	47,394,757	48,746,337
Noncurrent assets:		
Capital assets not being depreciated	3,387,532	3,182,662
Capital assets being depreciated	113,137,607	108,235,163
Less - Accumulated depreciation	(60,182,187)	(51,455,875)
Total noncurrent assets	56,342,952	59,961,950
Deferred outflows of resources:		
Related to postemployment benefit liability	1,257,400	746,871
Related to pensions - WRS	10,362,583	15,428,178
Total deferred outflows of resources	11,619,983	16,175,049
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 115,357,692	\$ 124,883,336
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>		
Current liabilities:		
Accounts payable	\$ 2,286,162	\$ 2,418,188
Accrued liabilities:		
Payroll, payroll taxes, and insurance	1,005,560	942,893
Interest	238,980	197,777
Due to student and other organizations	445,755	354,386
Unearned revenue	574,300	625,141
Current portion of long-term obligations	10,519,625	10,925,000
Total current liabilities	15,070,382	15,463,385
Noncurrent liabilities:		
Notes payable	35,763,242	35,371,977
Accrued compensated absences	20,957	20,439
Other postemployment benefit liability	6,663,366	6,564,390
Net pension liability	1,480,742	2,939,307
Total noncurrent liabilities	43,928,307	44,896,113
Total liabilities	58,998,689	60,359,498
Deferred inflows of resources - Related to pensions	4,687,919	6,224,587
Net position:		
Net investment in capital assets	24,480,899	28,497,678
Restricted - Debt service	9,388,527	11,063,982
Unrestricted	17,801,658	18,737,591
Total net position	51,671,084	58,299,251
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 115,357,692	\$ 124,883,336

See accompanying notes to financial statements.

Northcentral Technical College District

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2017 and 2016

	2017	2016
Operating revenues:		
Student program fees, net of scholarship allowances of \$5,199,180 and \$5,269,013, respectively	\$ 4,684,795	\$ 5,083,670
Student material fees, net of scholarship allowances of \$243,730 and \$239,150, respectively	331,100	398,967
Other student fees, net of scholarship allowances of \$452,206 and \$405,669, respectively	346,153	390,000
Federal grants	9,096,043	10,358,425
State grants	4,545,926	5,336,002
Business and industry contract revenues	2,313,036	2,287,285
School district contract revenues	693,180	669,328
Auxiliary enterprise revenues	2,669,422	3,041,570
Miscellaneous	1,473,424	849,434
Total operating revenues	26,153,079	28,414,681
Operating expenses:		
Instruction	30,969,598	31,222,474
Instructional resources	1,822,605	1,826,568
Student services	4,113,066	4,164,310
General institutional	12,527,972	12,217,744
Physical plant	4,409,893	4,280,141
Auxiliary enterprise services	3,027,776	3,472,975
Depreciation	12,027,408	7,494,047
Student aid	1,606,644	2,659,220
Total operating expenses	70,504,962	67,337,479
Operating loss	(44,351,883)	(38,922,798)
Non-operating revenues (expenses):		
Property taxes	19,742,496	19,233,396
State operating appropriations	19,254,123	18,968,541
Loss on disposal of capital assets	(797,071)	(16,649)
Investment income earned	126,786	88,442
Interest expense	(602,618)	(461,430)
Net non-operating revenues (expenses)	37,723,716	37,812,300
Change in net position	(6,628,167)	(1,110,498)
Net position at beginning of year, as previously reported	58,299,251	65,177,655
Cumulative effect of accounting change		(5,767,906)
Net position at end of year	\$ 51,671,084	\$ 58,299,251

See accompanying notes to financial statements.

Northcentral Technical College District

Statements of Cash Flows

Years Ended June 30, 2017 and 2016

	2017	2016
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Tuition and fees received	\$ 5,284,366	\$ 5,742,952
Federal and state grants received	13,956,564	16,146,034
Business, industry, and school district contract revenues received	3,124,631	3,102,444
Payments to employees	(22,932,170)	(29,546,158)
Payments to suppliers	(33,741,900)	(30,018,797)
Auxiliary enterprise revenues received	2,700,872	3,007,494
Other receipts	1,564,793	913,855
Net cash used in operating activities	(30,042,844)	(30,652,176)
Cash flows for noncapital financing activities:		
Local property taxes received	19,767,587	19,109,496
State appropriations received	19,254,123	18,968,541
Net cash provided by noncapital financing activities	39,021,710	38,078,037
Cash flows from capital and related financing activities:		
Purchases of capital assets	(9,486,507)	(6,944,471)
Proceeds from sale of capital assets	31,998	
Proceeds from issuance of capital debt	11,072,641	13,339,255
Debt issuance costs paid	(52,203)	(70,925)
Principal paid on capital debt	(10,925,000)	(8,135,000)
Interest paid on capital debt	(685,588)	(549,477)
Net cash used in capital and related financing activities	(10,044,659)	(2,360,618)
Cash flows from investing activities - Investment income received	126,786	88,442
Net increase (decrease) in cash and cash equivalents	(939,007)	5,153,685
Cash and cash equivalents at beginning of year	38,943,139	33,789,454
Cash and cash equivalents at end of year	\$ 38,004,132	\$ 38,943,139

Northcentral Technical College District

Statements of Cash Flows (Continued)

Years Ended June 30, 2017 and 2016

	2017	2016
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (44,351,883)	\$ (38,922,798)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	12,027,408	7,494,047
Changes in operating assets and liabilities:		
Accounts and other receivables	437,618	480,122
Inventories	(15,696)	146,839
Prepaid items	(34,440)	(45,992)
Accounts payable	117,002	(1,354,119)
Accrued expenses	77,810	118,426
Due to student and other organizations	91,369	64,421
Unearned revenue	(50,841)	(46,445)
Net pension changes	1,559,833	1,562,992
Postemployment benefits	98,976	(149,669)
Net cash used in operating activities	\$ (30,042,844)	\$ (30,652,176)
Noncash investing, capital, and financing activities:		
Purchase of capital assets in accounts payable	\$ 976,133	\$ 1,225,161

See accompanying notes to the financial statements.

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

The financial statements of Northcentral Technical College District (the "District") have been prepared in accordance with accounting principles generally accepted in the United States as applied to public colleges and universities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below.

Reporting Entity

The District was organized in 1911 under state legislation. The District is fully accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The geographic area of the District is comprised of all or part of ten counties.

The District, governed by a nine-member Board appointed by Board chairpersons of counties within the service area, operates a public technical college offering one and two year degrees, technical certificates, and a comprehensive adult education program. As the District's governing authority, the Board's powers include:

- Authority to borrow money and levy taxes;
- Budgeting authority; and
- Authority over other fiscal and general management of the District which includes, but is not limited to, the authority to execute contracts, to exercise control over facilities and properties, to determine the outcome or disposition of matters affecting the recipients of the services provided, and to approve the hiring or retention of the District President who implements Board policy and directives.

This report includes all activities of the District. The reporting entity for the District consists of (a) the primary government, (b) organizations for which the primary government is 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 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.

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

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; or (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. This report does not contain any component units.

Northcentral Technical College Foundation, Inc. (the "Foundation") is a separate legal entity, with a separate governing body and budget. The District is not financially accountable for or fiscally dependent on the Foundation; therefore its financial statements are not included in this report.

Measurement Focus and Basis of Accounting

The District's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, assets, and liabilities resulting from exchange and exchange-type transactions are recognized when the exchange takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Operating revenues and expenses generally include all fiscal transactions directly related to instructional and auxiliary enterprise activities plus administration, operation, and maintenance of capital assets and depreciation on capital assets. Included in nonoperating revenues are property taxes, State appropriations, investment income, and revenues for capital construction projects. Interest on debt is a nonoperating expense. All significant inter-district transactions have been eliminated.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition, and shares in the local government investment pool.

State Statutes permit the District to invest available cash balances in time deposits (maturing in not more than three years) of authorized depositories, U.S. Treasury obligations, U.S. government agency issues, municipal obligations within Wisconsin, high-grade commercial paper which matures in less than seven years, and the local government pooled investment fund administered by the state investment board.

All investments are stated at fair market value. Determination of fair value for investment in the local government investment pool is based on information provided by the State of Wisconsin Investment Board. Investment income includes changes in fair value of investments, interest, and realized gains and losses.

Receivables

Student accounts receivable are reported net of any anticipated losses due to uncollectible accounts. The District considers student accounts to be past due when a student has an account balance after the payment due date for the class. Contract receivables are considered past due 30 days after the date of billing. Past due accounts are subject to past due letter collection efforts and are subsequently placed with third-party collection agencies including the State of Wisconsin Tax Refund Interception Program (TRIP) and the State of Wisconsin State Debt Collection Program (SDC). If an account balance still exists at the conclusion of the 9- to 12-month collection period, the account is written off. The collectability of individual accounts is evaluated closely at the close of each fiscal year and the allowance for uncollectible accounts is adjusted to a level which, in management's judgment, is adequate to absorb potential losses inherent in the receivable portfolio. No additional allowance for uncollectible accounts has been provided since it is believed such allowance would be immaterial. The District does not assess finance charges against receivables that are past due.

Inventories and Prepaid Expenses

Inventories of books and supplies are valued at the lower of cost or market, using the first-in/first-out (FIFO) method. Instructional and administrative inventories are accounted for as expenses when purchased. Prepaid expenses represent payments made by the District for which benefits extend beyond June 30.

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of the donation. The District maintains a threshold level of a unit cost of \$5,000 or more for equipment and \$15,000 or more for remodeling costs for capitalizing capital assets.

Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 15 to 50 years for site improvements and buildings and 5 to 15 years for furniture and equipment.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed.

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is dependent upon the event or circumstance in which the impairment occurred. Impairment losses, if any, are recorded in the statements of revenues, expenses, and changes in net position.

Long-Term Obligations

Long-term debt and long-term obligations are reported as liabilities in the financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

Vacation - District employees are granted vacation in varying amounts, based on length of service and staff classifications. Forfeiture and carryover procedures vary between employee groups. Liabilities for vacation and salary-related payments, including social security taxes, are recorded when incurred.

Sick Leave - Faculty and middle leaders with 15 years of service that retired on or before June 30, 2016, received a lump-sum payment of 60% of one-half of their accumulated sick leave, up to a maximum of 25 days, at their daily contractual rate in effect during the year of retirement, provided that they notified the District by June 15, 2016. Facilities support staff with 15 years of service with a hire date prior to July 1, 2012, that retired at age 60 received a lump sum payment of 50% of accumulated sick leave days, up to a maximum of 30 days paid out at their daily rate at retirement. This liability has been fully accrued and will decrease annually as individuals retire.

For purposes of measuring the net pension liability, deferred outflows 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 represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first.

Property Tax Levy

Under Wisconsin law, personal property taxes and first installment real estate taxes are collected by city, town, and village treasurers or clerks who then make proportional settlement with the District and taxing entities treasurers for those taxes collected on their behalf. Second installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the taxing entities before retaining any for county purposes.

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property Tax Levy (Continued)

The aggregate District tax levy is apportioned and certified by November 6 of the current fiscal year for collection to comprising municipalities based on the immediate past October 1 full or "equalized" taxable property values. As permitted by a collecting municipality's ordinance, taxes may be paid in full by two or more installments with the first installment payable the subsequent January 31 and a final payment no later than the following July 31. On or before January 15, and by the 20th of each subsequent month thereafter, the District may be paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance.

The District Board is limited by state law that the operational tax levy cannot exceed a rate of \$1.50 per \$1,000 of the full equalized value of taxable property within the area served by the District for the purposes of making capital improvements, acquiring equipment, operating, and maintaining schools. The mill rate limitation is not applicable to taxes levied for the purpose of paying principal and interest on general obligation notes payable issued by the District. For the years ended June 30, 2017 and 2016, the District levied at the following mill rate:

	2017	2016
Operating purposes	\$ 0.63925	\$ 0.63534
Debt service requirements	0.62620	0.62575
Totals	\$ 1.26545	\$ 1.26109

State and Federal Revenues

State general and categorical aids are recognized as revenues in the entitlement year. Federal and state aids for reimbursable programs are recognized as revenues in the year related program expenditures are incurred or eligibility requirements are met. Aids received prior to meeting revenue recognition criteria are recorded as deferred revenue.

Tuition and Fees

Student tuition and fees are recorded, net of scholarships, as revenues in the period in which the related activity or instruction takes place. Tuition and fees for the summer semester are prorated on the basis of student class days occurring before and after June 30.

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Scholarship Allowances and Student Financial Aid

Certain student financial aid (loans, funds provided to students as awarded by third parties, and Federal direct loans) is accounted for as third-party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances. Scholarship allowances represent the amount of aid applied directly to the student's account. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash.

Classification of Revenues and Expenses

The District has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

Operating revenues/expenses - Operating revenues and expenses include activities that have the characteristics of exchange transactions to provide goods or services related to the District's principal ongoing operations. Operating revenues include 1) student tuition and fees, net of scholarship allowance, 2) sales and services provided by auxiliary enterprise, and 3) most federal, state, and local grants and contracts that are essentially the same as contracts for services that finance programs of the District. Operating expenses include the cost of providing educational services, student aid, administrative expenses, and depreciation on capital assets.

Nonoperating revenues/expenses - Nonoperating revenues and expenses include activities that have the characteristics of nonexchange transactions. Nonoperating revenues include gifts and contributions and other revenue sources such as state appropriations, the local property tax levy, investment income, and any grants and contracts not classified as operating revenue or restricted by the grantor to be used exclusively for capital programs. Nonoperating expenses include interest on long-term obligation and losses on the disposal of capital assets.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources related to pensions for its proportionate shares of collective deferred outflows of resources related to pensions and District contributions to pension plans subsequent to the measurement date of the collective net pension liability. The District also reports deferred outflows of resources related to its other postemployment benefit plan (OPEB) including the District's contributions to other postemployment benefit plan (OPEB) subsequent to the measurement date of the OPEB liability.

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources for its proportionate share of the collective deferred inflows of resources related to pensions.

Subsequent Events

Subsequent events have been evaluated through December 4, 2017, which is the date the financial statements were available to be issued.

Note 2: Cash and Investments

Cash and cash equivalents consisted of the following at June 30:

	2017	2016
Cash on deposit with financial institutions	\$ 21,083,595	\$ 14,393,230
Wisconsin Local Government Investment Pool	16,911,048	24,540,159
Cash on hand	9,489	9,750
Total cash and cash equivalents	\$ 38,004,132	\$ 38,943,139

Deposits

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2017, \$20,394,293 of the District's bank balance of \$21,353,709 was exposed to custodial credit risk as uninsured and collateralized with securities held by the pledging institutions agent but not in the institution's name.

Investments

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State Statute limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. Ratings are not required, or available, for the Wisconsin Local Government Investment Pool. The District has no investment policy that would further limit its investment choices.

Northcentral Technical College District

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

Investments (Continued)

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. As a means of managing its exposure to fair value losses arising from increasing interest rates, the District's investment policy limits the maturity of individual issues to not more than five years and the average maturity of the entire investment portfolio to not more than two years. State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years. The average maturity of the Wisconsin Local Government Investment Pool is less than 30 days.

Concentration of Credit Risk - The District's investment policy limits the amount that may be invested in any one issuer to 10% of the market value of the portfolio at the time of purchase, with the exception of U.S. government issues that are fully guaranteed by the U.S. government or agencies thereof. At June 30, 2017 and 2016, the District had no investments in any one issuer (excluding U.S. Treasury securities, money market funds, and external investment pool) that represent 5% or more of the total District investments.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to the transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's investment policy does not limit the exposure to custodial credit risk for investments. All investments are held by the District's agent in the District's name and, therefore, are not exposed to custodial credit risk.

The District is a participant in the Local Government Investment Pool (LGIP), which is authorized in Wisconsin Statutes 25.14 and 25.17 under the oversight of the State of Wisconsin Investment Board. The LGIP is not registered with the Securities Exchange Commission as an investment company. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at \$1 based on the amortized cost of the investments in the LGIP. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. The investment in the LGIP is not subject to the fair value hierarchy disclosures.

Note 3: Accounts and Other Receivables

Accounts and other receivables consisted of the following on June 30:

	2017	2016
Federal and state grants	\$ 1,922,479	\$ 2,237,074
Student tuition and fees	2,166,456	2,155,218
Business and industry contracts	98,656	197,721
NTC Foundation, Inc.		19,698
Bookstore sales	64,718	96,168
Health claim stop-loss	19,815	28,686
Other	151,911	142,690
Allowance for uncollectible amounts	(1,219,544)	(1,235,146)
Total	\$ 3,204,491	\$ 3,642,109

Northcentral Technical College District

Notes to Financial Statements

Note 4: Capital Assets

Capital asset balances and activity were as follows for the years ended June 30:

	2017			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 915,968	\$ 193,600	\$ 13,878	\$ 1,095,690
Construction in progress	2,266,694	2,210,810	2,185,662	2,291,842
Total capital assets not being depreciated	3,182,662	2,404,410	2,199,540	3,387,532
Capital assets being depreciated:				
Site improvements	10,244,438	241,182	880,786	9,604,834
Buildings and building improvements	57,863,150	4,635,678	1,762,712	60,736,116
Furniture and equipment	35,768,011	4,141,873	303,770	39,606,114
Computer software	4,359,564		1,169,021	3,190,543
Total capital assets being depreciated	108,235,163	9,018,733	4,116,289	113,137,607
Less accumulated depreciation for:				
Site improvements	4,680,025	670,050	847,421	4,502,654
Buildings and building improvements	19,150,143	6,404,301	1,002,572	24,551,872
Furniture and equipment	24,962,364	4,198,046	282,082	28,878,328
Computer software	2,663,343	755,011	1,169,021	2,249,333
Total accumulated depreciation	51,455,875	12,027,408	3,301,096	60,182,187
Net capital assets	59,961,950	\$ (604,265)	\$ 3,014,733	56,342,952
Less outstanding debt related to capital assets, including premium	(46,296,977)			(46,268,242)
Plus capital projects funds borrowed but not spent	14,832,705			14,406,189
Net assets invested in capital assets	\$ 28,497,678			\$ 24,480,899

Northcentral Technical College District

Notes to Financial Statements

Note 4: Capital Assets (Continued)

	2016			Ending Balance
	Beginning Balance	Increases	Decreases	
Capital assets not being depreciated:				
Land	\$ 915,968	\$ 0	\$ 0	\$ 915,968
Construction in progress	546,264	2,250,114	529,684	2,266,694
Total capital assets not being depreciated	1,462,232	2,250,114	529,684	3,182,662
Capital assets being depreciated:				
Site improvements	10,438,238	536,610	730,410	10,244,438
Buildings and building improvements	55,349,821	2,513,329		57,863,150
Furniture and equipment	33,145,563	3,334,328	711,880	35,768,011
Computer software	5,769,210		1,409,646	4,359,564
Total capital assets being depreciated	104,702,832	6,384,267	2,851,936	108,235,163
Less accumulated depreciation for:				
Site improvements	4,721,011	689,424	730,410	4,680,025
Buildings and building improvements	17,384,267	1,765,876		19,150,143
Furniture and equipment	21,631,725	4,025,870	695,231	24,962,364
Computer software	3,060,112	1,012,877	1,409,646	2,663,343
Total accumulated depreciation	46,797,115	7,494,047	2,835,287	51,455,875
Net capital assets	59,367,949	\$ 1,140,334	\$ 546,333	59,961,950
Less outstanding debt related to capital assets, including premium	(41,260,454)			(46,296,977)
Plus capital projects funds borrowed but not spent	10,932,357			14,832,705
Net assets invested in capital assets	\$ 29,039,852			\$ 28,497,678

Northcentral Technical College District

Notes to Financial Statements

Note 5: Long-Term Obligations

Long-term liability activity for the years ended June 30, 2017 and 2016, was as follows:

	Balance 7/1/2016	Additions	Reductions	Balance 6/30/2017	Amounts Due Within One Year
General obligation notes	\$ 45,450,000	\$ 10,700,000	\$ 10,925,000	\$ 45,225,000	\$ 10,505,000
Plus deferred premium	846,977	372,641	176,376	1,043,242	
Compensated absences	20,439	35,582	20,439	35,582	14,625
Totals	\$ 46,317,416	\$ 11,108,223	\$ 11,121,815	\$ 46,303,824	\$ 10,519,625

	Balance 7/1/2015	Additions	Reductions	Balance 6/30/2016	Amounts Due Within One Year
General obligation notes	\$ 40,585,000	\$ 13,000,000	\$ 8,135,000	\$ 45,450,000	\$ 10,925,000
Plus deferred premium	675,454	339,255	167,732	846,977	
Compensated absences	25,173	20,439	25,173	20,439	
Totals	\$ 41,285,627	\$ 13,359,694	\$ 8,327,905	\$ 46,317,416	\$ 10,925,000

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2017 and 2016, is comprised of the following individual issues:

	2017	2016
June 8, 2011 general obligation promissory note (1)	\$ 0	\$ 1,640,000
June 11, 2012 general obligation promissory note (2)	1,675,000	3,345,000
June 11, 2013 general obligation promissory note (3)	8,325,000	9,530,000
June 2, 2014 general obligation promissory note (4)	6,040,000	7,935,000
June 15, 2015 general obligation promissory note (5)	7,460,000	10,000,000
May 2, 2016 general obligation promissory note (6)	8,600,000	10,000,000
June 15, 2016 general obligation promissory note (7)	1,235,000	1,500,000
June 30, 2016 general obligation promissory note (8)	1,190,000	1,500,000
June 1, 2017 general obligation promissory note (9)	10,700,000	
Total general obligation debt	\$ 45,225,000	\$ 45,450,000

Northcentral Technical College District

Notes to Financial Statements

Note 5: Long-Term Obligations (Continued)

General Obligation Debt (Continued)

(1) Promissory note issued to Marshall & Ilsley Bank, to remodel buildings and to acquire and replace equipment, with interest at 1.5% to 2.25 %. Principal due annually on September 1, with final maturity September 1, 2016.

(2) Promissory note issued to KeyBanc Capital Markets, to remodel buildings and to acquire and replace equipment, with interest at 1% to 2%. Principal due annually on September 1, with final maturity September 1, 2017.

(3) Promissory note issued by Piper Jaffray & Co., to remodel buildings and to acquire and replace equipment, with interest at 2% to 3%. Principal due annually on September 1, beginning September 1, 2014, with final maturity September 1, 2022.

(4) Promissory note issued by Raymond James & Associates, Inc. for construction on the Medford Campus to remodel building and to acquire and replace equipment, with interest at 1% to 1.5%. Principal due annually on September 1, beginning September 1, 2015, with final maturity September 1, 2019.

(5) Promissory note issued by BMO Capital Markets, for purchase of the Wittenberg Campus, purchase of a mobile classroom, construction of a building addition on the Wausau campus, building remodeling and improvement projects, building and site maintenance and repairs, site improvements, and equipment, with interest at 1% to 2.25%. Principal due annually on September 1, beginning with September 1, 2016, with final maturity September 1, 2020.

(6) Promissory note issued by Hutchinson, Shockey, Erley & Co. for the construction of an addition to the Student Life Center of the Wausau Campus, construction of a tactical safety range and multi-media classroom on the Merrill Campus, remodeling and improvement projects, building and site maintenance and repairs, site improvements, and equipment acquisition, installation and related costs, with interest at 2%. Principal due annually on March 1, beginning with March 1, 2017, with final maturity March 1, 2026.

(7) Promissory note issued by Raymond James & Associates, Inc. for remodeling and improvement projects and equipment acquisition, installation and related costs, with interest at 2%. Principal due annually on March 1, beginning with March 1, 2017, with final maturity March 1, 2026.

(8) Promissory note issued by Hutchinson, Shockey, Erley & Co. for remodeling and improvement projects and equipment acquisition, installation and related costs, with interest at 2%. Principal due annually on March 1, beginning March 1, 2017, with final maturity March 1, 2026.

(9) Promissory note issued by Robert W. Baird & Co. Inc., for purchase of the diesel building and construction of the building additions at the Agricultural Center of Excellence, construction of a building addition on the Merrill Campus, remodeling and improvement projects, building and site maintenance and repairs, site improvements, and equipment acquisition, installation, and related costs, with interest at 2% to 3%. Principal due annually on March 1, beginning with March 1, 2018, with final maturity March 1, 2027.

Northcentral Technical College District

Notes to Financial Statements

Note 5: Long-Term Obligations (Continued)

General Obligation Debt (Continued)

The District has the power to incur indebtedness for certain purposes specified by Section 67.03(1)(a), Wisconsin Statutes in an aggregate amount, not exceeding 5% of the equalized value of the taxable property within the District, as last determined by the Wisconsin Department of Revenue. The 5% limit for the year ended June 30, 2017, was \$817,486,084 and the District's outstanding general obligation debt of \$45,225,000, net of resources available of \$9,388,527 to pay principal, was \$35,836,473. The 5% limit for the year ended June 30, 2016, was \$799,784,297 and the District's outstanding general obligation debt of \$45,450,000, net of resources available of \$11,063,982 to pay principal, was \$34,386,018.

Wisconsin Statutes 67.03(9) provides that the amount of bonded indebtedness for the purpose of purchasing school sites and the construction and equipping of school buildings may not exceed 2% of the equalized valuation of the taxable property, including tax incremental districts, in the District. This limit was \$326,994,433 and \$319,913,719 at June 30, 2017 and 2016, respectively. The District had no outstanding bonded indebtedness as of June 30, 2017 and 2016.

Aggregate cash flow requirements for the retirement of long-term principal and interest on general obligation debt as of June 30, 2017, follows:

Year Ended June 30,	Principal	Interest	Totals
2018	\$ 10,505,000	\$ 830,129	\$ 11,335,129
2019	7,085,000	709,219	7,794,219
2020	7,275,000	560,756	7,835,756
2021	5,305,000	428,813	5,733,813
2022	3,575,000	330,081	3,905,081
2023-2027	11,480,000	643,481	12,123,481
Total general obligation debt	\$ 45,225,000	\$ 3,502,479	\$ 48,727,479

Northcentral Technical College District

Notes to Financial Statements

Note 6: Leases, as Lessee

The District leases several buildings and the agreements expire during the next three years and are classified as operating leases.

Future minimum payments, by year and in the aggregate, under the noncancelable operating leases with initial or remaining terms in excess of one year consisted of the following:

2018	\$	258,547
2019		260,599
2020		77,937
Total minimum lease payments		\$ 597,083

Rental expense for all operating leases for the years ended June 30, 2017 and 2016, were \$256,531 and \$254,563, respectively.

Note 7: Employee Retirement Plans - Wisconsin Retirement System (WRS)

Plan Description - The Wisconsin Retirement System (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 1,200 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 Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>

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 occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Northcentral Technical College District

Notes to Financial Statements

Note 7: Employee Retirement Plans - Wisconsin Retirement System (WRS) (Continued)

Benefits Provided (Continued) - Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

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
2007	3.0 %	10.0 %
2008	6.6 %	0.0 %
2009	(2.1)%	(42.0)%
2010	(1.3)%	22.0 %
2011	(1.2)%	11.0 %
2012	(7.0)%	(7.0)%
2013	(9.6)%	9.0 %
2014	4.7 %	25.0 %
2015	2.9 %	2.0 %
2016	0.5 %	(5.0)%

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 executive 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.

Northcentral Technical College District

Notes to Financial Statements

Note 7: Employee Retirement Plans - Wisconsin Retirement System (WRS) (Continued)

Contributions (Continued) - During the reporting period, the WRS recognized \$1,695,258 in contributions from the employer.

The District only has employees in the general category which had the following contribution rates as of June 30, 2017 and 2016:

Employee Category	2017		2016	
	Employee	Employer	Employee	Employer
General (including teachers, executives, and elected officials)	6.80 %	6.80 %	6.60 %	6.60 %

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2017 and 2016, the District reported a liability of \$1,480,742 and \$2,939,307, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of the calendar year that falls within the District's fiscal year and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation one year prior to that date rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016 and 2015, the District's proportion was 0.1796% and 0.1808%, which was a decrease of 0.0012% and an increase of 0.0001% from its proportion measured in the respective prior year.

For the years ended June 30, 2017 and 2016, the District recognized pension expense of \$3,813,857 and \$3,511,874.

At June 30, 2017 and 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2017		2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 564,607	\$ 4,656,805	\$ 496,789	\$ 6,185,722
Net differences between projected and actual earnings on pension plan investments	7,370,663		12,032,877	
Changes in assumptions	1,548,173		2,056,467	
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,713	31,114		38,865
Employer contributions subsequent to the measurement date	864,427		842,045	
Total	\$ 10,362,583	\$ 4,687,919	\$ 15,428,178	\$ 6,224,587

Northcentral Technical College District

Notes to Financial Statements

Note 7: Employee Retirement Plans - Wisconsin Retirement System (WRS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued) - Deferred outflows of resources related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the subsequent year. 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 June 30:	Increase (Decrease) in Pension Expense
2018	\$ 1,955,310
2019	1,955,310
2020	1,336,409
2021	(439,540)
2022	2,748

Actuarial Assumptions - The total pension liability in the actuarial valuations used for the years ended June 30, 2017 and 2016, were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2017	2016
Actuarial Valuation Date	December 31, 2015	December 31, 2014
Measurement Date of Net Pension Liability (Asset)	December 31, 2016	December 31, 2015
Actuarial Cost Method	Entry Age	Entry Age
Asset Valuation Method	Fair Market Value	Fair Market Value
Long-Term Expected Rate of Return	7.2 %	7.2 %
Discount Rate	7.2 %	7.2 %
Salary Increases:		
Inflation	3.2 %	3.2 %
Seniority/Merit	0.2 % - 5.6 %	0.2 % - 5.6 %
Mortality	Wisconsin 2012 Mortality Table	Wisconsin 2012 Mortality Table
Post-Retirement Adjustments*	2.1 %	2.1 %

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2016, is based upon a roll-forward of the liability calculated from the December 31, 2015, actuarial valuation.

Northcentral Technical College District

Notes to Financial Statements

Note 7: Employee Retirement Plans - Wisconsin Retirement System (WRS) (Continued)

Actuarial Assumptions (Continued) - 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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns	Asset Allocation %	As of December 31, 2016		
		Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return
<u>Core Fund</u>				
Global equities	50.0 %	45.0 %	8.3 %	5.4 %
Fixed income	24.5 %	37.0 %	4.2 %	1.4 %
Inflation sensitive assets	15.5 %	20.0 %	4.3 %	1.5 %
Real estate	8.0 %	7.0 %	6.5 %	3.6 %
Private equity/debt	8.0 %	7.0 %	9.4 %	6.5 %
Multi-asset	4.0 %	4.0 %	6.6 %	3.7 %
Total core fund	110.0 %	120.0 %	7.4 %	4.5 %
<u>Variable Fund</u>				
U.S. equities	70.0 %	70.0 %	7.6 %	4.7 %
International equities	30.0 %	30.0 %	8.5 %	5.6 %
Total variable fund	100.0 %	100.0 %	7.4 %	5.0 %

Northcentral Technical College District

Notes to Financial Statements

Note 7: Employee Retirement Plans - Wisconsin Retirement System (WRS) (Continued)

Actuarial Assumptions (Continued)

Asset Allocation Targets and Expected Returns	Asset Allocation %	As of December 31, 2015		
		Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return
<u>Core Fund</u>				
U.S. equities	27.0 %	23.0 %	7.6 %	4.7 %
International equities	24.5 %	22.0 %	8.5 %	5.6 %
Fixed income	27.5 %	37.0 %	4.4 %	1.6 %
Inflation sensitive assets	10.0 %	20.0 %	4.2 %	1.4 %
Real estate	7.0 %	7.0 %	6.5 %	3.6 %
Private equity/debt	7.0 %	7.0 %	9.4 %	6.5 %
Multi-asset	4.0 %	4.0 %	6.7 %	3.8 %
Total core fund	107.0 %	120.0 %	7.4 %	4.5 %
<u>Variable</u>				
U.S. equities	70.0 %	70.0 %	7.6 %	4.7 %
International equities	30.0 %	30.0 %	8.5 %	5.6 %
Total variable fund	100.0 %	100.0 %	7.9 %	5.0 %

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.75%

Assets Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

Single Discount Rate: A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Northcentral Technical College District

Notes to Financial Statements

Note 7: Employee Retirement Plans - Wisconsin Retirement System (WRS) (Continued)

Actuarial Assumptions (Continued) - Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability (asset) calculated using the current discount rate, as well as what the District'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 or 1-percentage-point higher than the current rate:

	2017		2016	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to the rate	6.2%	\$ 19,480,107	6.2%	\$ 20,161,357
Current discount rate	7.2%	1,480,742	7.2%	2,939,307
1% increase to the rate	8.2%	(12,379,585)	8.2%	(10,866,784)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available online at <http://etf.wi.gov/publications/cafr.htm>

Payables to the Pension Plan - At June 30, 2017 and 2016, the District reported a payable of \$136,085 and \$132,028 for the outstanding amount of employer contributions to the pension plan, respectively.

Note 8: Other Postemployment Benefits

Plan Description - The District administers a single-employer defined benefit health care plan. The plan provides medical insurance benefits to eligible retirees and their spouses through the District's group medical insurance plan, which covers both active and retired members. Benefit provisions are established through collective bargaining agreements. The eligibility requirements are based on the retiree's position, years of service, and age at retirement. No assets are accumulated in an irrevocable trust and therefore there is no standalone report for the plan.

Benefits Provided - Benefits provided to retirees are as follows:

- Faculty and management retiring prior to July 1, 2012, with at least eight years of service and either hired prior to July 1, 2007, and reaching age 57 or hired on or after July 1, 2007, and at least age 59 are covered until eligible for Medicare benefits or until covered under a new employer's medical program, whichever comes first. Also included are employees that provided notice by December 31, 2011, of their retirement by June 30, 2015. The maximum monthly premium paid by the District during the covered period includes both the single and family premiums, and based upon years of service will range from 60% to 100% of the premium for active employees.

Northcentral Technical College District

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Benefits Provided (Continued)

- Support staff retiring prior to July 1, 2012, with at least 20 years of service, reaching age 59, and eligible for a benefit under WRS are covered until eligible for Medicare benefits. Also included are employees that provided notice by December 31, 2011, of their retirement by June 30, 2015. The District will make contributions toward a retiree's single medical premium determined by a break-even calculation made at the time of retirement which will remain frozen at the calculated amount for the duration of benefit eligibility. Retirees electing family coverage will be responsible for the difference between the single and family premium amounts.
- Paraprofessional and technical employees retiring prior to July 1, 2012, with at least 15 years of service, reaching age 57, and eligible for a benefit under WRS are covered until eligible for Medicare benefits. Also included are employees that provided notice by December 31, 2011, of their retirement by June 30, 2015. The maximum monthly premium paid by the District during the covered period will be 75% to 100% of the single premium determined based upon years of service with an annual maximum of \$7,848. Retirees electing family coverage will be responsible for the difference between the single and family premium amounts.
- Employees hired prior to July 1, 2012 and retiring on or after July 1, 2012, who are at least 62 years old with at least 20 years of service are covered until eligible for Medicare benefits. The District will make medical insurance premium contributions (single or family for faculty and middle leader and single for other retirees) as are made for active employees. Retirees subject to the single premium contribution electing family coverage will be responsible for the difference between the single and family premium amounts.
- For eligible retiring full-time employees hired prior to July 1, 2012, with at least 20 years of NTC or WRS service and retiring before age 65, the District will continue 100% premium contributions for the retiree's life insurance benefit payout value at a rate of 37.5%, reduced annually at retiree's birthday, until such time that the life insurance benefit payout value will be frozen at 12.5%.
- For eligible retiring full-time employees hired prior to July 1, 2012, with at least 20 years of NTC or WRS service and retiring at age 65 or later, the District will continue 100% premium contributions for the retiree's life insurance benefit payout value at a rate of 37.5% for the retiree's 65th year, reduced to 25% for the retiree's 66th year, and a frozen rate of 12.5% for the retiree's 67th year and thereafter.
- For eligible retiring part-time employees hired prior to July 1, 2012, with at least 20 years of NTC or WRS service and retiring before age 65, the District will continue 100% premium contributions for the retiree's life insurance benefit payout value at a rate of 75%, reduced annually at retiree's birthday, until such time that the life insurance benefit payout value will be frozen at 25%.

Northcentral Technical College District

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Benefits Provided (Continued)

- For eligible retiring part-time employees hired prior to July 1, 2012, with at least 20 years of NTC or WRS service and retiring at age 65 or later, the District will continue 100% premium contributions for the retiree's life insurance benefit payout value at a rate of 75% for the retiree's 65th year, reduced to 50% for the retiree's 66th year, and a frozen rate of 25% for the retiree's 67th year and thereafter.
- For all eligible retiring employees continuing to participate in the District's group medical plan, the District will annually contribute to a health savings account until Medicare eligibility, \$1,000 if single coverage and \$2,000 if family coverage.

Employees Covered by the Benefit Terms - At June 30, 2016, the measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	40
Inactive employees entitled to, but not receiving, benefit payments	168
Active employees	245
<hr/>	
Total	453

For eligible retiring full-time employees hired prior to July 01, 2012, retiring between age 65 and 70, the District will continue contributions towards the retiree's life insurance premiums at a rate of 37.50% until the age of 66, 25% until the age of 67, and 12.5% thereafter.

Total OPEB Liability - The District's total OPEB liability at June 30, 2017 was \$6,663,366, was measured as of June 30, 2016, and was determined by an update to the actuarial valuation. The District's total OPEB liability at June 30, 2016, was \$6,564,390, was measured as of June 30, 2015, and was determined by an actuarial valuation at that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry Age Normal
Discount rate	3.00 %
Healthcare cost trend rate	7.5% decreasing by .5% per year down to 6.5%, then by .1% per year down to 5%, and level thereafter

The discount rate is based on the Bond Buyer Go 20-Bond Municipal Bond Index published by the Federal Reserve for the week closest to, but not later than the measurement date. Mortality rates are based upon the Wisconsin Retirement System (WRS) 2012 Mortality Table. The mortality table and other significant assumptions are based on the WRS's actuarial experience study from 2012-2014.

Northcentral Technical College District

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Changes in Total OPEB Liability - OPEB liability activity for the years ended June 30, 2017 and 2016, were as follows:

Balance at July 1, 2015	\$ 6,714,059
Service cost	124,538
Interest	244,389
Benefit payments	(518,596)
<hr/>	
Balance at July 1, 2016	6,564,390
Service cost	124,538
Interest	234,496
Changes of assumptions or other input	486,813
Benefit payments	(746,871)
<hr/>	
Balance at June 30, 2017	\$ 6,663,366

Sensitivity of the District's OPEB Liability to Changes in the Discount Rate - The following presents the District's OPEB liability calculated using the discount rate, as well as what the District's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	2017		2016	
	Discount Rate	Total OPEB Liability	Discount Rate	Total OPEB Liability
1% decrease to the rate	2.0 %	\$7,437,759	2.75 %	\$7,238,163
Current discount rate	3.0 %	\$6,663,366	3.75 %	\$6,564,390
1% increase to the rate	4.0 %	\$6,027,855	4.75 %	\$6,005,229

Sensitivity of the District's OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the District's OPEB liability calculated using the healthcare cost trend rate of 7.5% decreasing to 5.0%, as well as what the District's OPEB liability would be if it were calculated using the healthcare cost trend rate that is 1-percentage-point lower (6.5% decreasing to 4.0%) or 1-percentage-point higher (8.5% decreasing to 6.0%) than the current rate:

	2017		2016	
	Healthcare Cost Trend Rate	Total OPEB Liability	Healthcare Cost Trend Rate	Total OPEB Liability
1% decrease to the rate	6.5% decreasing to 4.0%	\$6,438,415	6.5% decreasing to 4.0%	\$6,370,770
Current discount rate	7.5% decreasing to 5.0%	\$6,663,366	7.5% decreasing to 5.0%	\$6,564,390
1% increase to the rate	8.5% decreasing to 6.0%	\$6,923,814	8.5% decreasing to 6.0%	\$6,786,985

Northcentral Technical College District

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

OPEB Expense and Deferred Outflow of Resources - For the years ended June 30, 2017 and 2016, the District recognized OPEB expense of \$411,553 and \$377,944, respectively. At June 30, 2017 and 2016, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2017		2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or other input	\$ 417,268	\$ 0	\$ 0	\$ 0
Employer contributions subsequent to the measurement date	840,132		746,871	
Total	\$ 1,257,400	\$ 0	\$ 746,871	\$ 0

\$840,132 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ended June 30	Net Increase (Decrease) in OPEB Expense
2018	\$ 69,545
2019	69,545
2020	69,545
2021	69,545
2022	69,545
Thereafter	69,543

Note 9: Risk Management

Districts Mutual Insurance Company (DMI)

In July 2004, all 16 WTCS technical colleges created the Districts Mutual Insurance Company (DMI). Districts Mutual Insurance Company is a fully-assessable mutual company authorized under Wisconsin Statute 611 to provide property, casualty, and liability insurance and risk management services to its members. The scope of insurance protection provided by DMI is broad, covering property at \$500,225,000 per occurrence; equipment at \$100,000,000 per occurrence; general liability, auto, and educators legal liability at \$5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

At this time, settled claims have not approached the coverage limits as identified above. The District's exposure in its layer of insurance is limited to \$2,500 to \$100,000 per occurrence depending on the type of coverage and DMI purchases reinsurance for losses in excess of its retained layer of coverage.

Northcentral Technical College District

Notes to Financial Statements

Note 9: Risk Management (Continued)

Districts Mutual Insurance Company (DMI) (Continued)

DMI operations are governed by a five-member Board of Directors. Member colleges do not exercise any control over the activities of DMI beyond election of the Board of Directors at the annual meeting. The Board has the authority to adopt its own budget, set policy matters, and control the financial affairs of the company.

Each member college was assessed an annual premium that included a capitalization component to establish reserves for the company. Since DMI is fully capitalized, member districts have not been assessed a capitalization amount for fiscal years 2017 and 2016. For the years ended June 30, 2017 and 2016, the District paid premiums of \$306,360 and \$311,226, respectively. Future premiums will be based on relevant rating exposure bases as well as the historical loss experienced by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the company.

The audited DMI financial statements can be obtained through Districts Mutual Insurance Co., 212 West Pinehurst Trail, Dakota Dunes, South Dakota 57049.

Supplemental Insurance

In July 1997, the WTCS technical colleges formed the WTCS Insurance Trust to jointly purchase commercial insurance to provide coverage for losses from theft of, damages to, or destruction of assets. The trust is organized under Wisconsin Statutes 66.0301 and is governed by a board of trustees consisting of one trustee from each member college. Member entities include all 16 Wisconsin Technical College System districts.

The WTCS Insurance Trust has purchased the following levels of coverage from DMI for its participating members:

- Foreign Liability - \$1,000,000 aggregate general; \$1,000,000 auto per accident; \$1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses, and \$1,000 deductible for employee benefits.
- Crime - \$750,000 coverage for employee dishonesty, forgery, computer fraud, and funds transfer fraud; \$500,000 coverage for theft, robbery, burglary, disappearance and destruction of money and securities; \$25,000 coverage for investigation expenses; \$2,500 deductible for investigation, and \$5,000 deductible for employee dishonesty, forgery, and fraud.

The scope of settled claims has not exceeded the coverage limits in any of the past three fiscal years. There was no significant reduction in the District's insurance coverage in fiscal 2017.

Northcentral Technical College District

Notes to Financial Statements

Note 9: Risk Management (Continued)

Self-Funded Health and Vision Insurance

The District has retained the risk of loss for its health care program. As part of the health care coverage, the District purchases stop-loss coverage which pays claims in excess of \$175,000 per individual. The District also provides all employees, except faculty, \$50 every two years towards incurred vision care costs.

The District establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. The estimate was provided by management. At June 30, 2017 and 2016, the amounts of these liabilities were \$314,364 and \$332,572, respectively. The following represents changes in those liabilities for the District during the past two years:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2014-15	\$ 469,649	\$ 5,854,840	\$ 5,539,629	\$ 784,860
2015-16	\$ 784,860	\$ 5,414,241	\$ 5,866,529	\$ 332,572
2016-17	\$ 332,572	\$ 4,137,734	\$ 4,155,942	\$ 314,364

Note 10: Construction and Other Significant Commitments

Construction Commitments

The District has several active construction projects, as well as commitments to contractors and vendors to construct or purchase assets in the subsequent year, as of June 30, 2017. The construction projects in progress are the Merrill Tactical Safety Range, the Manure Tank Expansion at the Agriculture Center of Excellence, the Wausau Campus Restroom Remodel in Buildings F, H, and CHS, the Wausau Campus H Building Roof Replacement, and the Timberwolf Access Driveway, as well as some smaller remodeling projects. Also, orders were placed for smart classroom equipment and installation, furniture for various projects, server and other IT-related items, and instructional equipment needed for the start of the fall semester. These orders were initially placed prior to June 30, 2017, due to delivery and installation lead time requirements.

Northcentral Technical College District

Notes to Financial Statements

Note 10: Construction and Other Significant Commitments (Continued)

Construction Commitments (Continued)

Future commitments include the purchase of the Diesel Building, the Wausau STEM Center Remodel, the Agriculture Center Remodel to include the expansion of the existing barn and classroom, the construction of the CDL Building, as well as various maintenance and remodeling projects at the Wausau and regional campuses. At year end, the District's commitments with contractors and vendors, including change orders through the date of this report, are as follows:

Project	Spent Through 6/30/2017	Remaining Commitment
HAAS Automation	\$ 117,516	\$ 0
Smart Classrooms	103,086	166,568
Website Development Project		250,000
Bathroom Remodeling, Buildings F, H, CHS	41,543	219,978
Server Equipment		191,391
IT Consulting for ERP (PeopleSoft)		688,980
IVC Classrooms		270,274
Merrill Tactical Safety Range Addition	1,443,990	84,192
Manure Tank Expansion, AG Center	214	193,334
Timberwolf Suites Access Road	28,799	139,001
Vehicles		101,776
Diesel Building Purchase	4,217	638,280
STEM Center Remodel		645,889
Building H Roof Replacement	158,266	183,366
AG Center Additions, Barn, and Classroom		96,200

None of these commitments were recorded as encumbrances at year-end.

The District has a non-cancellable telecommunication service agreement for network services. Payments are monthly and the final contract's term will end in November 2018. Total expenses for the year ended June 30, 2017, were \$14,100. As of June 30, 2017, the District was committed to make payments of \$19,975.

The District has a maintenance agreement for support services related to information technology. Payments are due quarterly with the agreement set to expire June 30, 2018. The remaining commitment to make payments for this agreement at June 30, 2017, was \$688,980.

Northcentral Technical College District

Notes to Financial Statements

Note 11: Joint Ventures

The District implemented a computerized library database through a joint venture by joining the Wisconsin Public Access Library System (WISPALS). WISPALS is governed by the college presidents and librarians with each member college having an equal vote. As of July 1, 2013, there were 11 full members. Through the joint venture, each college owns one-eleventh of the computer hardware and software that comprises WISPALS; however, the computer hardware and software is permanently housed at Waukesha County Technical College's Pewaukee campus. Operating costs of WISPALS are also shared equally by the member colleges. The following is a summary of financial information for WISPALS as of June 30:

	2017		2016	
	Total WISPALS	NTC's Share	Total WISPALS	NTC's Share
Total assets	\$ 114,671	\$ 10,425	\$ 34,602	\$ 3,146
Total liabilities			34,602	3,146
Ending fund balance	114,671	10,425		
Total revenues	684,012	62,183	459,276	41,752
Total expenses	499,554	45,414	478,818	43,529

The WISPALS financial statements can be obtained through the District's fiscal agent, Gateway Technical College District, by directing the request to the Administration Center, 3520 30th Avenue, Kenosha, WI 53144.

Note 12: Contingent Liabilities

On August 31, 2011, the Dairyland State Academy, Inc., transferred title of all property owned by the Academy to the College. This property was purchased using funds from various donors, including an initial \$1,000,000 capital contribution from Marathon County. In the event the property is no longer being used for its intended use as an agriculture farm/learning laboratory, the property shall be liquidated and the proceeds distributed in accordance with an agreement with Marathon County.

Note 13: Expense Classification

Operating expenses by natural classification were as follows for the years ended June 30:

	2017	2016
Salaries and wages	\$ 29,236,144	\$ 29,468,923
Employee benefits	11,635,303	12,156,042
Travel, memberships, and subscriptions	1,133,640	1,124,297
Supplies and minor equipment	5,949,445	9,030,887
Postage, printing, and advertising	894,808	1,064,368
Repairs and maintenance	670,527	693,142
Contracted services	5,365,996	1,697,590
Rentals	364,909	397,094
Insurance	390,404	395,917
Utilities	924,666	924,758
Depreciation	12,027,408	7,494,047
Other	338,566	305,038
Student aid	1,573,146	2,585,376
Total operating expenses	\$ 70,504,962	\$ 67,337,479

Note 14: Subsequent Event

On October 4, 2017 the District signed a contract in the amount of \$840,164 for barn and classroom additions to the Agriculture Center for Excellence.

Required Supplementary Information

Northcentral Technical College District

Schedule of Changes in Total Other Postemployment Benefit (OPEB) Liability and Related Ratios Last Ten Fiscal Years (When Available)

	2017	2016
Measurement date	6/30/2016	6/30/2015
Total OPEB Liability		
Service cost	\$ 124,538	\$ 124,538
Interest	234,496	244,389
Changes of assumptions or other input	486,813	
Benefit payments	(746,871)	(518,596)
Net change in total OPEB liability	98,976	(149,669)
Total OPEB liability at beginning	6,564,390	6,714,059
Total OPEB liability at end	\$ 6,663,366	\$ 6,564,390
District's covered employee payroll	\$ 16,353,932	\$ 16,353,932
Total OPEB liability as a percentage of covered-employee payroll	40.74 %	40.14 %

*The amounts presented were determined as of a measurement date one year prior to the fiscal year. Amounts were not available for years prior to 2016.

Notes to Schedule

Changes of benefit terms: There were no changes of benefit terms.

Changes of assumptions: In 2017, the discount rate was changed to 3.0% to be reflective of the 20-year AA municipal bond rates.

See Independent Auditor's Report.

Northcentral Technical College District

Schedules of Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System

Last Ten Fiscal Years (When Available)

	2017	2016	2015
Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset)			
Measurement date	12/31/2016	12/31/2015	12/31/2014
District's proportion of the net pension liability (asset)	0.1796 %	0.1809 %	0.1807 %
District's proportionate share of the net pension liability (asset)	1,480,742	2,939,307	(4,438,877)
District's covered-employee payroll during the measurement period	25,685,729	25,565,458	25,366,952
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	5.76 %	11.50 %	(17.50)%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.12 %	98.20 %	102.74 %
Schedule of Employer Contributions			
Contractually required contribution for the fiscal period	\$ 1,743,835	\$ 1,720,607	\$ 1,765,923
Contributions in relation to the contractually required contribution	(1,743,835)	(1,720,607)	(1,765,923)
Contribution deficiency	\$ 0	\$ 0	\$ 0
District's covered employee payroll for the fiscal period	\$ 26,024,846	\$ 25,678,283	\$ 25,588,765
Contributions as a percentage of covered-employee payroll	6.70 %	6.70 %	6.90 %

Notes to Schedules

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

Changes of assumptions: There were no changes in the assumptions.

See Independent Auditor's Report

Supplementary Information

The following supplementary information is provided to document Northcentral Technical College District's compliance with State budgetary requirements. This accountability is an essential requirement to maintain the public trust. The method of accounting used for budgetary compliance monitoring is substantially different from the method of preparing the basic financial statements of the District, as described in the notes to the accompanying schedules.

Northcentral Technical College District

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund

Year Ended June 30, 2017

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$ 8,389,577	\$ 8,611,191	\$ 8,611,191	\$ 0	\$ 8,611,191	\$ 0
State revenues	18,729,408	19,370,644	19,370,644		19,370,644	
Federal revenues		10,000	10,000		10,000	
Statutory program fees	9,800,000	8,562,597	8,562,597		8,562,597	
Material fees	575,000	482,381	482,381		482,381	
Other student fees	359,500	466,324	466,324		466,324	
Institutional revenues	490,000	480,760	480,760		480,760	
Total revenues	38,343,485	37,983,897	37,983,897		37,983,897	
Expenditures:						
Instruction	21,841,035	20,609,637	20,609,637		20,609,637	
Instructional resources	1,497,796	1,453,226	1,453,226		1,453,226	
Student services	2,524,689	2,325,862	2,325,862		2,325,862	
General institutional	8,821,686	8,226,180	8,226,180		8,226,180	
Physical plant	3,842,408	3,545,526	3,545,526		3,545,526	
Total expenditures	38,527,614	36,160,431	36,160,431		36,160,431	
Excess (deficiency) of revenues over expenditures	(184,129)	1,823,466	1,823,466		1,823,466	
Other financing sources (uses):						
Transfers in		26,663	26,663		26,663	
Transfers out		(1,660,000)	(1,660,000)		(1,660,000)	
Total other financing sources (uses)		(1,633,337)	(1,633,337)		(1,633,337)	
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$ (184,129)	\$ 190,129	190,129		190,129	\$ 0
Fund balance at beginning of year			14,751,498		14,751,498	
Fund balance at end of year			\$ 14,941,627	\$ 0	\$ 14,941,627	
Fund balance:						
Reserved for prepaid items			\$ 257,057			
Unreserved fund balance:						
Designated for postemployment benefits			6,663,366			
Designated for state aid fluctuations			898,687			
Designated for operations			7,122,517			
Total fund balance			\$ 14,941,627			

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Northcentral Technical College District

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Special Revenue Aidable Fund

Year Ended June 30, 2017

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 0	\$ 1,100,000	\$ 0
State revenues	2,700,000	2,845,638	2,845,638		2,845,638	
Federal revenues	2,753,000	2,761,021	2,761,021		2,761,021	
Statutory program fees	960,000	1,338,909	1,338,909		1,338,909	
Material fees	75,000	93,568	93,568		93,568	
Other student fees	395,000	451,074	451,074		451,074	
Institutional revenues	3,140,000	3,256,441	3,256,441		3,256,441	
Total revenues	11,123,000	11,846,651	11,846,651		11,846,651	
Expenditures:						
Instruction	8,270,376	9,109,006	9,109,006		9,109,006	
Instructional resources	101,233	105,790	105,790		105,790	
Student services	1,437,863	1,457,016	1,457,016		1,457,016	
General institutional	1,505,161	1,610,486	1,610,486		1,610,486	
Physical plant	69,344	65,267	65,267		65,267	
Total expenditures	11,383,977	12,347,565	12,347,565		12,347,565	
Excess (deficiency) of revenues over expenditures	(260,977)	(500,914)	(500,914)		(500,914)	
Other financing sources - Transfers in		994,000	994,000		994,000	
Excess (deficiency) of revenues and other financing sources over expenditures	\$ (260,977)	\$ 493,086	493,086		493,086	\$ 0
Fund balance at beginning of year			1,729,863		1,729,863	
Fund balance at end of year			\$ 2,222,949	\$ 0	\$ 2,222,949	
Fund balance - Unreserved - Designated for operations			\$ 2,222,949			

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Northcentral Technical College District

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Special Revenue Non-Aidable Fund

Year Ended June 30, 2017

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$ 200,000	\$ 229,012	\$ 229,012	\$ 0	\$ 229,012	\$ 0
State revenues	1,220,000	1,209,974	1,209,974		1,209,974	
Federal revenues	15,046,000	12,915,539	12,915,539		12,915,539	
Other student fees	860,000	878,639	878,639		878,639	
Institutional revenues	185,000	228,581	228,581		228,581	
Total revenues	17,511,000	15,461,745	15,461,745		15,461,745	
Expenditures:						
Instructional		53	53		53	
Student services	17,291,000	15,419,894	15,419,894		15,419,894	
Public service	50,000	63,373	63,373		63,373	
Total expenditures	17,341,000	15,483,320	15,483,320		15,483,320	
Excess (deficiency) of revenues over expenditures	170,000	(21,575)	(21,575)		(21,575)	
Other financing sources - Transfers in		16,000	16,000		16,000	
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ 170,000</u>	<u>\$ (5,575)</u>	(5,575)		(5,575)	<u>\$ 0</u>
Fund balance at beginning of year			309,909		309,909	
Fund balance at end of year			<u>\$ 304,334</u>	\$ 0	<u>\$ 304,334</u>	
Fund balance - Reserved fund balance - Student organizations			<u>\$ 304,334</u>			

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Northcentral Technical College District

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Capital Projects Fund

Year Ended June 30, 2017

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
State revenues	\$ 317,866	\$ 382,792	\$ 382,792	\$	\$ 382,792	\$ 0
Federal revenues		15,382	15,382		15,382	
Institutional revenues	199,000	819,250	819,250		819,250	
Total revenues	516,866	1,217,424	1,217,424		1,217,424	
Expenditures:						
Capital outlay:						
Instruction	2,978,069	2,387,448	2,387,448		2,387,448	
Instructional resources	1,250,983	1,219,400	1,219,400		1,219,400	
Student services		11,954	11,954		11,954	
General institutional	3,070,671	2,893,595	2,893,595		2,893,595	
Physical plant	4,644,787	6,481,542	6,481,542		6,481,542	
Total expenditures	11,944,510	12,993,939	12,993,939		12,993,939	
Excess (deficiency) of revenues over expenditures	(11,427,644)	(11,776,515)	(11,776,515)		(11,776,515)	
Other financing sources:						
Transfers in		650,000	650,000		650,000	
Issuance of long-term debt	11,500,000	10,700,000	10,700,000		10,700,000	
Total other financing sources	11,500,000	11,350,000	11,350,000		11,350,000	
Excess (deficiency) of revenues and other financing sources over expenditures	\$ 72,356	\$ (426,515)	(426,515)		(426,515)	\$ 0
Fund balance at beginning of year			14,832,704		14,832,704	
Fund balance at end of year			\$ 14,406,189	\$ 0	\$ 14,406,189	
Fund balance - Reserved for capital projects			\$ 14,406,189			

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Northcentral Technical College District

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Debt Service Fund

Year Ended June 30, 2017

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local revenues	\$ 9,550,096	\$ 11,848,170	\$ 11,848,170	\$ 0	\$ 11,848,170	\$ 0
Institutional revenues	11,500	29,403	29,403		29,403	
Total revenues	9,561,596	11,877,573	11,877,573		11,877,573	
Expenditures - Physical plant						
	11,772,000	11,717,492	11,717,492		11,717,492	
Excess (deficiency) of revenues over expenditures						
	(2,210,404)	160,081	160,081		160,081	
Other financing sources - Premium on long-term debt						
	220,000	320,437	320,437		320,437	
Excess (deficiency) of revenues and other financing sources over expenditures						
	<u>\$ (1,990,404)</u>	<u>\$ 480,518</u>	480,518		480,518	<u>\$ 0</u>
Fund balance at beginning of year						
			1,986,343		1,986,343	
Fund balance at end of year						
			<u>\$ 2,466,861</u>	<u>\$ 0</u>	<u>\$ 2,466,861</u>	
Fund balance - Reserved for debt service						
			<u>\$ 2,466,861</u>			

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Northcentral Technical College District

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Enterprise Fund

Year Ended June 30, 2017

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local	\$ 0	\$ 40,143	\$ 40,143	\$ 0	\$ 40,143	\$ 0
Federal		259	259		259	
Institutional	3,205,000	2,691,845	2,691,845		2,691,845	
Total revenues	3,205,000	2,732,247	2,732,247		2,732,247	
Expenses - Auxiliary service	3,228,000	2,807,450	2,807,450		2,807,450	
Excess (deficiency) of revenues over expenses	(23,000)	(75,203)	(75,203)		(75,203)	
Other financing uses - Transfers out		(26,663)	(26,663)		(26,663)	
Change in net position	<u>\$ (23,000)</u>	<u>\$ (101,866)</u>	(101,866)		(101,866)	<u>\$ 0</u>
Net position at beginning of year			<u>679,577</u>		<u>679,577</u>	
Net position at end of year			<u>\$ 577,711</u>	<u>\$ 0</u>	<u>\$ 577,711</u>	
Net position - Unrestricted retained earnings			<u>\$ 577,711</u>			

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Northcentral Technical College District

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Internal Service Fund

Year Ended June 30, 2017

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues - Institutional	\$ 7,888,000	\$ 7,170,035	\$ 7,170,035	\$ 0	\$ 7,170,035	\$ 0
Expenses - Auxiliary service	7,718,000	6,927,807	6,927,807		6,927,807	
Excess (deficiency) of revenues over expenses	170,000	242,228	242,228		242,228	
Change in net position	<u>\$ 170,000</u>	<u>\$ 242,228</u>	242,228		242,228	<u>\$ 0</u>
Net position at beginning of year			<u>834,457</u>		<u>834,457</u>	
Net position at end of year			<u>\$ 1,076,685</u>	<u>\$ 0</u>	<u>\$ 1,076,685</u>	
Net position - Unrestricted retained earnings			<u>\$ 1,076,685</u>			

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Northcentral Technical College District

Notes to Budgetary Comparison Schedules

Note 1: Budgetary Accounting

The District uses a fund structure for budgetary accounting as compared to the entity-wide presentation of the basic financial statements. Annual budgets are adopted for all funds in accordance with the requirements of the Wisconsin Technical College System Board. The District follows the procedures listed below in adopting its annual budget:

- Property taxes are levied by the various taxing municipalities located primarily in Marathon, Clark, Lincoln, Menominee, Portage, Price, Shawano, Taylor, Waupaca, and Langlade Counties. The District records as revenues its share of the local tax when levied, since the District's share becomes available during its fiscal year to finance its operations.
- Public hearings are conducted on the proposed budget.
- Prior to July 1, the budget is legally enacted through approval by the Board.
- Budget amendments during the year are legally authorized. Budget transfers (between funds and functional areas within funds) and changes in budgeted revenues and expenditures (appropriations) require approval by a vote of two-thirds of the entire membership of the Board and require publishing a Class I public notice in the District's official newspaper within ten days according to Wisconsin Statutes. It is the Board's policy to amend the budget to actual each fiscal year.
- Management exercises control over budgeted expenditures by fund and function (i.e., instruction, instructional resources, etc.), as presented in the required supplementary information. Expenditures may not exceed funds available or appropriated, unless authorized by a resolution adopted by a vote of two-thirds of the Board. Unused appropriations lapse at the end of each fiscal year.
- Formal budgetary integration is employed as a planning device for all funds. The annual operating budget is prepared primarily on the same basis as fund financial statements prior to the adoption of GASB Statement No. 34, except encumbrances are also included in the adopted budget. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process.

Northcentral Technical College District

Notes to Budgetary Comparison Schedules

Note 2: Explanation of Differences Between Revenues, Expenditures, and Other Financing Sources (Uses) for Budgetary Funds on a Budgetary Basis and the Statement of Revenues and Expenses on a GAAP Basis

Revenues

Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules		
General Fund	\$	37,983,897
Special Revenue Aidable Fund		11,846,651
Special Revenue Non-Aidable Fund		15,461,745
Capital Projects Fund		1,217,424
Debt Service Fund		11,877,573
Enterprise Fund		2,732,247
Internal Service Fund		7,170,035
		<hr/>
		88,289,572
Adjustment:		
Interfund charges from internal service and fiduciary funds are eliminated for GAAP reporting		(7,140,464)
Interfund charges for rent are eliminated for GAAP reporting		(260,000)
Student aid in the form of loans are included in revenues for budgetary purposes but offset revenues for GAAP reporting		(6,615,159)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting		(5,895,116)
Revenue in agency funds are included in revenues for budgetary purposes but offset revenues for GAAP reporting		(997,679)
Summer tuition is recognized on the cash basis rather than the accrual basis		(18,650)
Property taxes levied for debt service payments in the subsequent fiscal year are deferred for budgetary purposes		(2,086,020)
		<hr/>
Reconciled revenues	\$	65,276,484
		<hr/> <hr/>
Revenues per Statement of Revenues and Expenses on a GAAP basis:		
Operating revenues	\$	26,153,079
Property taxes		19,742,496
State operating appropriations		19,254,123
Investment income		126,786
		<hr/>
Total	\$	65,276,484
		<hr/> <hr/>

Northcentral Technical College District

Notes to Budgetary Comparison Schedules

Note 2: Explanation of Differences Between Revenues, Expenditures, and Other Financing Sources (Uses) for Budgetary Funds on a Budgetary Basis and the Statement of Revenues and Expenses on a GAAP Basis (Continued)

Expenditures

Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedules:

General Fund	\$ 36,160,431
Special Revenue Aidable Fund	12,347,565
Special Revenue Non-Aidable Fund	15,483,320
Capital Projects Fund	12,993,939
Debt Service Fund	11,717,492
Enterprise Fund	2,807,450
Internal Service Fund	6,927,807

98,438,004

Adjustments:

Interfund charges from internal service funds are eliminated for GAAP reporting	(6,991,059)
Interfund charges for rent are eliminated for GAAP reporting	(260,000)
Student aid in the form of loans are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(6,615,159)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(5,895,116)
Expenses in agency funds are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(1,055,714)
The following expenditures are recognized on the cash basis rather than the accrual basis:	
Summer school instructional wages	(1,285)
Interest expense	93,406
Postemployment benefits	(411,553)
Pension-related benefits	2,070,362
Compensated absences	15,143
The acquisition of capital assets, excluding donations, is reported as an expenditure for budgetary purposes	(9,205,481)
Repayment of principal on long-term debt is a budgetary expenditure	(10,925,000)
Bond premium is amortized for GAAP purposes	(176,376)
Depreciation and loss on capital asset disposals recorded for GAAP purposes	12,824,479

Expenses on a GAAP basis \$ 71,904,651

Expenses per the Statement of Revenues and Expenses on a GAAP basis:

Operating expenses	\$ 70,504,962
Loss on disposal of capital assets	797,071
Interest expense	602,618

Total \$ 71,904,651

Other financing sources and uses such as transfers in (out) and proceeds from issuance of long-term debt are not recognized as revenues or expenses for GAAP reporting.

Northcentral Technical College District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Pass-Through Agency Number	Grant Period	Program or Award Amount	Grantor Expenditures	Local Share
U.S. Department of Agriculture						
Direct Program						
Agriculture Risk Coverage Program	10.113	18849	1/1/16-12/31/16	\$ 259	\$ 259	\$ 0
U.S. Department of Interior						
Bureau of Indian Affairs						
Higher Education Grant Program	15.114		7/1/16-6/30/17		50,860	
U.S. Department of Labor						
Direct Programs						
Trade Adjustment Assistance Community College and Career Training INTERFACE	17.282	TC-25112-13-60-A-55	10/1/13-9/30/17	6,214,585	1,603,968	
Pass-Through Program						
Chippewa Valley Technical College						
Trade Adjustment Assistance Community College and Career Training ACT for Health Care	17.282	TC-26455-14-60-A-55	10/1/14-3/31/18	874,572	263,479	
Fox Valley Technical College						
Trade Adjustment Assistance Community College and Career Training INTERFACE	17.282	TC-25116-13-60-A-55	10/1/13-9/30/16		3,241	
Total U.S. Department of Labor					1,870,688	
U.S. Department of State						
Direct Program						
Middle East Partnership Initiative - Georgetown University	19.500	NTC-RX2050-972-16	6/2016-8/2017	27,895	20,776	6,433
Middle East Partnership Initiative - Benedictine University	19.500	N/A	6/2015-8/2016	23,914	20,659	5,768
Total CFDA 19.500					41,435	12,201
Middle East and North Africa Partnership Initiative - Georgetown University	19.600	S-NEAAC-17-CA-1016	5/2017-10/2017	37,954	4,928	
Total U.S. Department of State					46,363	12,201
National Science Foundation						
Pass-Through Programs						
Dakota County Technical College						
Midwest Regional Center for Nanotechnology Education	47.076	PO 57788	10/1/16-6/30/17	21,305	6,911	
U.S. Department of Education						
Direct Programs						
Student Financial Aid Cluster						
Federal Supplemental Education Opportunity Grants	84.007	P007A164527	7/1/16-6/30/17	120,470	115,669	
Federal Direct Loan Program						
Subsidized Stafford	84.268	P268K152670	7/1/15-6/30-16		(1,935)	
Subsidized Stafford	84.268	P268K162670	7/1/16-6/30/17		4,173,664	
Subsidized Stafford	84.268	P268K172670	7/1/17-6/30/18		91,094	
Unsubsidized Stafford	84.268	P268K162670	7/1/16-6/30/17		2,292,955	
Unsubsidized Stafford	84.268	P268K172670	7/1/17-6/30/18		37,933	
PLUS	84.268	P268K162670	7/1/16-6/30/17		12,448	
Total CFDA 84.268					6,606,159	
Federal Work Study Program						
Federal Work Study Program	84.033	P033A164527	7/1/16-6/30/17	147,643	152,356	51,118
Federal Pell Grant Program						
Pell Grant Administrative Allowance	84.063	P063Q162670	7/1/16-6-30/17	11,745	10,000	
Federal Pell Grant Program	84.063	P063P142670	7/1/14-6/30/15		(1,120)	
Federal Pell Grant Program	84.063	P063P152670	7/1/15-6/30/16		2,852	
Federal Pell Grant Program	84.063	P063P162670	7/1/16-6/30/17		5,539,626	
Federal Pell Grant Program	84.063	P063P172670	7/1/17-6/30/18		371,612	
Total CFDA 84.063					5,922,970	
Total Student Financial Assistance Cluster					12,797,154	51,118

Northcentral Technical College District

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2017

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Pass-Through Agency Number	Grant Period	Program or Award Amount	Grantor Expenditures	Local Share
U.S. Department of Education						
Adult Education - Basic Grants to States						
Pass-Through Programs						
Wisconsin Technical College System						
Basic Skills - Comprehensive	84.002	15-511-146-127	7/1/16-6/30/17	\$ 226,520	\$ 226,520	\$ 132,000
Integrated English Lit. and Civics Education	84.002	15-520-146-167	7/1/16-6/30/17	10,895	10,895	
Basic Education Services - Jails	84.002	15-531-146-117	7/1/16-6/30/17	35,894	35,894	11,965
Adult Basic Education for Severely At-Risk Learners	84.002	71-971-149-157	7/1/16-6/30/17	35,821	35,821	11,626
Total CFDA 84.002					309,130	155,591
Vocational Education - Basic Grants						
Pass-Through Programs						
Wisconsin Technical College System						
Achieving Student Success for At-Risk Students	84.048	15-102-150-237	7/1/16-6/30/17	380,835	380,835	365,700
Increasing Nontraditional Occupations Enrollment and Completion	84.048	15-104-150-267	7/1/16-6/30/17	25,389	25,389	
Career Prep	84.048	15-107-150-217	7/1/16-6/30/17	39,476	39,476	
Strengthening Programs	84.048	15-108-150-257	7/1/16-6/30/17	87,552	101,553	
Total CFDA 84.048					547,253	365,700
Pass-Through Programs						
Wisconsin Department of Public Instruction						
Gaining Early Awareness and Readiness	84.334		7/1/16-6/30/17		20,572	
Wisconsin Department of Children and Families						
Race to the Top - Early Learning Challenge	84.412A	CFE00449	11/1/14-12/31/17	247,800	48,915	
Total U.S. Department of Education					13,723,024	572,409
U.S. Department of Homeland Security						
Pass-Through Programs						
Wisconsin Technical College System						
Assistance to Firefighters Grant	97.044	15-847-153-117	7/1/16-6/30/17	6,671	4,097	615
TOTAL FEDERAL AWARDS					\$ 15,702,202	\$ 585,225

See Independent Auditor's Report.

See accompanying notes to schedules of expenditures of federal and state awards.

Northcentral Technical College District

Schedule of Expenditures of State Awards

Year Ended June 30, 2017

Administering Agency Pass-Through Agency Award Description	State I.D. Number	Pass-Through Agency Number	Grant Period	Program or Award Amount	Grantor Expenditures	Local Share
Wisconsin Higher Education Aids Board						
Direct Programs						
Wisconsin Higher Education Grants	235.102		7/1/16-6/30/17	\$ 0	\$ 913,443	\$ 0
Great Lakes Supplementary Grant	235.102		7/1/16-6/30/17		15,000	
Remission of Fees for Veterans and Dependents	235.105		7/1/16-6/30/17	116,521	116,521	
Wisconsin Minority Grant	235.107		7/1/16-6/30/17		7,175	
Covenant Scholarship Grant	235.108		7/1/16-6/30/17		44,504	
Academic Excellence Scholarship	235.109		7/1/16-6/30/17		4,501	
Handicapped Assistance Grant	235.112		7/1/16-6/30/17		1,800	
Talent Incentive Grant	235.114		7/1/16-6/30/17		25,800	
Wisconsin Nursing Loan	235.117		7/1/16-6/30/17		9,000	
Technical Excellence Scholarship	235.119		7/1/16-6/30/17		60,750	
Covenant Foundation Grant	235.131		7/1/16-6/30/17		32,500	
Wisconsin Indian Grants	235.132		7/1/16-6/30/17		5,684	
Total Wisconsin Higher Education Aids Board					1,236,678	
Wisconsin Technical College System						
Direct Programs						
Student Emergency Fund	292.104	15-850-104-117	7/1/16-6/30/17	14,000	11,368	
State Aids for Vocational, Technical, and Adult Education	292.105		7/1/16-6/30/17	4,358,400	4,358,400	
State Aids for Outcomes Based Funding	292.105		7/1/16-6/30/17	1,690,174	1,690,174	
General State Aid Adjustment - Prior Year	292.105		7/1/16-6/30/17		(188,100)	
Total 292.105					5,860,474	
Workforce Advancement Training Grant Program						
Direct Programs						
Northcentral East Region Business Consortium	292.124	15-879-124-176	7/1/15-8/31/16	197,551	15,736	1,748
Expera Specialty Solutions	292.124	15-885-124-176	7/1/15-8/31/16	42,697	7,477	942
Advancing Core Employee Skills at Church Mutual	292.124	15-877-124-176	7/1/15-8/31/16	22,962	1,220	136
Northcentral Business Consortium	292.124	15-875-124-176	7/1/15-8/31/16	199,747	6,017	668
NTC Transportation Technology Mobile Lab	292.124	15-838-124-186	7/1/15-9/30/16	150,000	18,392	
Northcentral Business and Leadership Consortium	292.124	15-876-124-177	7/1/16-6/30/17	199,608	199,608	
Building a Safer Workplace Consortium	292.124	15-878-124-177	7/1/16-8/31/17	107,623	77,996	
Building Technical Talent Management Consortium	292.124	15-880-124-177	7/1/16-8/31/17	152,975	121,090	
Healthcare Talent Development	292.124	15-881-124-177	7/1/16-8/31/17	42,603	26,973	
Consortium: Career Pathways for Educational Attainment	292.124	15-820-124-127	7/1/16-6/30/17	421,640	421,640	
First Year Experiences/Learning Communities and Academic Tutoring	292.124	15-824-124-167	7/1/16-6/30/17	230,355	230,355	76,785
Culinary Arts Associate Degree	292.124	15-828-124-147	7/1/16-6/30/17	200,000	200,000	
NTC's Professional Development for Full-Time and Adjunct Faculty	292.124	15-849-124-157	7/1/16-6/30/17	56,102	55,404	
Electrical & Instrumentation Apprentice - Related Instruction Program	292.124	15-856-124-117	7/1/16-6/30/17	14,200	14,200	
Millwrights Apprentice - Related Instruction Program	292.124	15-857-124-117	7/1/16-6/30/17	1,800	1,800	
Machinist/Tool & Die Apprentice - Related Instruction Program	292.124	15-858-124-117	7/1/16-6/30/17	8,000	8,000	
Diesel Technology - Increasing Skilled Workers for Core Industry	292.124	15-864-124-137	7/1/16-6/30/17	500,000	500,000	
Consortium: Information Technology Software Developer	292.124	15-865-124-137	7/1/16-6/30/17	750,000	750,000	
Pass-Through Programs						
Chippewa Valley Technical College						
AMN-NW Gold Collar Careers	292.124	01-787-124-187	7/1/16-6/30/17	65,063	6,603	
Total 292.124					2,662,511	80,279
Fire Certification Training	292.137		7/1/16-6/30/17	37,009	32,747	
HazMat Training	292.138		7/1/16-6/30/17	1,892	1,892	
Property Tax Relief Aid	292.162		7/1/16-6/30/17	13,229,408	13,229,408	
Supporting Veterans' Success	292.190	15-823-190-117	7/1/16-6/30/17	35,000	35,000	35,000
Total Wisconsin Technical College System					21,833,400	115,279

Northcentral Technical College District

Schedule of Expenditures of State Awards (Continued)

Year Ended June 30, 2017

Administering Agency Pass-Through Agency Award Description	State I.D. Number	Pass-Through Agency Number	Grant Period	Program or Award Amount	Grantor Expenditures	Local Share
Wisconsin Department of Natural Resources						
Direct						
Payments in Lieu of Taxes	370.503	None assigned	7/1/16-6/30/17	\$ 31,805	\$ 31,805	\$ 0
Department of Workforce Development						
Direct Programs						
Local Youth Apprenticeship	445.107	1U	7/1/16-6/30/17	311,400	308,170	155,700
Wisconsin Fast Forward - Blueprint for Prosperity	445.109	BP142TC-NC	7/1/14-12/31/16	2,264,812	259,268	
Academy-to-Work: Health and Welding Career Pathway	445.109	BP142HSP-24	7/1/14-10/31/16	149,641	12,945	75,000
Total 445.109					272,213	75,000
Total Department of Workforce Development					580,383	230,700
Wisconsin Department of Justice						
Fit Force Training	455.231	2017-LE-01-12120	9/1/16-12/1/16	14,500	10,500	
Wisconsin Department of Transportation						
Direct Programs						
Motorcycle Safety - Basic Rider	20.395(4)(aq)		3/1/15-11/30/16		14,818	
Motorcycle Safety - Rider Coach Preparation Course	20.395(4)(aq)		1/1/16-12/31/16		1,048	
Total Wisconsin Department of Transportation					15,866	
Wisconsin Department of Revenue						
Direct Programs						
Aid in Lieu of Computer Taxes	835.109		7/1/16-6/30/17		97,797	
TOTAL STATE FINANCIAL ASSISTANCE					\$ 23,806,429	\$ 345,979

See Independent Auditor's Report.

See accompanying notes to schedules of expenditures of federal and state awards.

Northcentral Technical College District

Notes to Schedules of Expenditures of Federal and State Awards

Note 1: Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the "Schedule") include the federal and state award activity of the District under programs of the federal and state government for the year ended June 30, 2017. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *State Single Audit Guidelines*. Because the schedules present only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the District.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Negative amounts shown on the schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Costs

The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4: Subrecipient Awards

The District does not have subrecipients of its federal or state awards.

Northcentral Technical College District

Notes to Schedules of Expenditures of Federal and State Awards

Note 5: Reconciliation

Federal:

Revenues per statement of revenues, expenses, and changes in net position:

Operating revenues - Federal grants	\$ 9,096,043
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9,096,043

Adjustments:

Federal Direct Loan Program (CFDA #84.268)	6,606,159
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Federal revenues per schedule of expenditures of federal awards	\$ 15,702,202
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State:

Revenues per statement of revenues, expenses, and changes in net position:

Operating revenues - State grants	\$ 4,545,926
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Non-operating revenues - State operating appropriations	19,254,123
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Total State revenues	23,800,049
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Adjustment - Wisconsin Nursing Loan (State ID# 235.117)	9,000
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Adjustment - Tax levy error	12
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Adjustment - State Emergency Fund Balance Transfer	(2,632)
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State revenues per schedule of expenditures of state awards	\$ 23,806,429
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STATISTICAL SECTION

YEARS ENDED 2017 & 2016

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

Northcentral Technical College District

Statistical Section

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health. The information was prepared by the District and was not subject to audit by the independent certified public accounting firm.

Contents

Financial Trends

- These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

- These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

- These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

- These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Column Headings: The columns headed "Year" in this section refer to the District's fiscal year (July 1 to June 30). Certain data included in this section is only available on a calendar-year basis; and if calendar-year data is presented, it is disclosed in the notes to the specific statement or schedule included in this section.

Northcentral Technical College District

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net investment in capital assets	\$24,480,899	\$28,497,678	\$29,039,852	\$29,746,802	\$28,929,853	\$26,198,655	\$23,869,432	\$23,167,571	\$24,182,581	\$25,442,347
Restricted for debt service	9,388,527	11,063,982	10,121,109	9,264,121	9,022,841	8,833,890	7,992,407	7,392,848	6,434,911	6,135,693
Restricted for pension benefit			4,402,643							
Unrestricted	17,801,658	18,737,591	21,614,051	19,179,833	21,597,609	21,362,082	21,903,976	18,774,063	15,233,783	15,311,499
Total net position	\$51,671,084	\$58,299,251	\$65,177,655	\$58,190,756	\$59,550,303	\$56,394,627	\$53,765,815	\$49,334,482	\$45,851,275	\$46,889,539

Northcentral Technical College District

Changes in Net Position

Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Operating revenues:										
Student program fees, net of scholarship allowances	\$4,684,795	\$5,083,670	\$4,485,648	\$4,774,640	\$4,560,101	\$4,449,494	\$4,763,274	\$5,010,132	\$3,855,863	\$3,559,182
Student material fees, net of scholarship allowances	331,100	398,967	347,126	358,249	347,082	323,597	326,035	473,623	347,049	322,136
Other student fees, net of scholarship allowances	346,153	390,000	340,848	162,453	28,406	53,305	391,829	410,365	585,484	565,540
Federal grants	9,096,043	10,358,425	11,282,402	11,727,859	12,805,849	11,239,770	12,226,139	9,817,813	6,693,526	5,183,014
State grants	4,545,926	5,336,002	4,926,646	2,753,170	2,552,875	2,084,190	2,058,255	2,016,882	2,208,897	1,720,134
Business and industry contract revenues	2,313,036	2,287,285	2,210,023	1,727,342	1,587,110	1,513,126	1,330,918	1,456,785	1,158,821	1,003,827
School District contract revenues	693,180	669,328	636,323	655,060	676,448	718,401	672,582	809,918	786,151	852,682
Auxiliary enterprise revenues	2,669,422	3,041,570	3,255,858	3,570,585	3,499,721	3,269,643	3,303,348	3,247,042	3,225,603	2,544,502
Miscellaneous	1,473,424	849,434	1,192,697	1,315,374	1,186,501	1,849,936	1,384,920	725,017	1,885,258	1,114,834
Total operating revenues	26,153,079	28,414,681	28,677,571	27,044,732	27,244,093	25,501,462	26,457,300	23,967,577	20,746,652	16,865,851
Operating expenses:										
Instruction	30,969,598	31,222,473	31,142,075	30,151,286	28,663,343	29,168,448	29,240,881	27,994,288	28,789,051	25,337,518
Instructional resources	1,822,605	1,826,568	1,673,428	1,482,282	968,416	1,443,681	1,555,590	1,441,419	2,035,950	1,548,414
Student services	4,113,066	4,164,310	4,191,157	4,129,864	4,618,620	4,489,910	4,446,312	4,392,581	4,603,935	4,032,140
General institutional	12,527,972	12,217,745	10,890,678	10,027,128	8,878,857	7,896,147	7,759,836	7,622,418	8,014,298	6,986,933
Physical plant	4,409,893	4,280,141	4,767,258	4,931,756	4,553,487	4,314,570	4,275,844	4,724,494	5,115,885	4,322,263
Auxiliary enterprise services	3,027,776	3,472,975	3,389,300	3,382,427	3,217,110	2,925,590	3,295,623	3,563,537	3,358,132	2,232,575
Public service				45,415		36,277				
Depreciation	12,027,408	7,494,047	6,234,479	6,562,946	4,938,861	4,140,351	3,471,890	3,515,954	3,239,892	2,935,133
Student aid	1,606,644	2,659,220	3,003,411	3,576,225	3,344,454	3,896,221	4,986,774	3,703,967	1,747,427	1,264,596
Total operating expenses	70,504,962	67,337,479	65,291,786	64,289,329	59,183,148	58,311,195	59,032,750	56,958,658	56,904,570	48,659,572
Operating loss	(44,351,883)	(38,922,798)	(36,614,215)	(37,244,597)	(31,939,055)	(32,809,733)	(32,575,450)	(32,991,081)	(36,157,918)	(31,793,721)
Non-operating revenues (expenses):										
Property taxes	19,742,496	19,233,396	18,457,033	31,075,521	30,099,517	30,811,262	30,427,497	29,891,889	28,820,520	27,606,561
State operating appropriations	19,254,123	18,968,541	19,177,118	5,174,400	5,320,056	4,976,632	7,090,620	7,276,964	6,623,586	6,224,200
Loss on disposal of capital assets	(797,071)	(16,649)				(17,048)	(6,980)	(43,588)		
Investment income earned	126,786	88,442	75,530	124,243	80,276	136,086	112,977	159,093	318,841	695,381
Interest expense	(602,618)	(461,430)	(454,482)	(489,114)	(405,118)	(491,127)	(617,331)	(722,535)	(643,293)	(621,880)
Transfer of capital assets to Wausau Area Community Network			(1,593,733)							
Total non-operating revenues (expenses)	37,723,716	37,812,300	35,661,466	35,885,050	35,094,731	35,415,805	37,006,783	36,561,823	35,119,654	33,904,262
Income (loss) before other changes in net position	(6,628,167)	(1,110,498)	(952,749)	(1,359,547)	3,155,676	2,606,072	4,431,333	3,570,742	(1,038,264)	2,110,541
Impairment gain on tornado damage						22,740				
Federal capital grant										2,855
Other - Cumulative effect of change in accounting principle			(5,767,906)	7,939,648				(87,535)		
Total change in net position	(\$6,628,167)	(\$1,110,498)	(\$6,720,655)	\$6,580,101	\$3,155,676	\$2,628,812	\$4,431,333	\$3,483,207	(\$1,038,264)	\$2,113,396

The District implemented GASB 65 beginning with fiscal year ended June 30, 2011, and restated fiscal year ended June 30, 2010, as a result.

The District implemented GASB 68 beginning with fiscal year ended June 30, 2015, and restated fiscal year ended June 30, 2014, as a result.

The District implemented GASB 75 beginning with fiscal year ended June 30, 2016, and restated fiscal year ended June 30, 2015, as a result.

Northcentral Technical College District

Distribution of Real Property Value on an Equalized Basis Langlade, Lincoln, Marathon, Menominee, Price, and Taylor Counties (1)

Last Ten Calendar Years

Calendar Year	Residential	Commercial	Manufacturing	Agriculture and Ag Forest	Undeveloped	Forest	Other	Personal Property	Total	District Equalized Valuation (2)	Total Direct Tax Rate (3)
2007	\$10,241,038,274	\$2,322,261,400	\$495,553,700	\$289,012,313	\$124,075,641	\$971,273,130	\$557,816,392	\$396,591,517	\$15,397,622,367	\$13,568,574,293	1.86375
% of Total	66.51%	15.08%	3.22%	1.88%	0.81%	6.31%	3.62%	2.58%			
2008	10,736,754,964	2,441,913,230	532,117,600	306,556,752	132,127,662	1,015,503,896	580,657,787	412,952,074	16,158,583,965	14,238,122,458	1.84922
% of Total	66.45%	15.11%	3.29%	1.90%	0.82%	6.28%	3.59%	2.56%			
2009	11,020,106,409	2,498,532,660	541,387,600	325,234,760	141,021,797	1,058,598,001	599,760,897	415,735,775	16,600,377,899	14,265,579,474	1.91253
% of Total	66.38%	15.05%	3.26%	1.96%	0.85%	6.38%	3.61%	2.50%			
2010	11,220,520,984	2,550,888,270	550,273,400	345,294,135	151,627,637	1,083,784,881	619,995,157	427,814,347	16,950,198,811	14,033,818,581	1.97621
% of Total	66.20%	15.05%	3.25%	2.04%	0.89%	6.39%	3.66%	2.52%			
2011	11,329,151,644	2,562,749,250	551,721,700	353,685,107	154,952,137	1,083,720,144	628,773,357	417,912,401	17,082,665,740	13,919,063,083	2.02251
% of Total	66.32%	15.00%	3.23%	2.07%	0.91%	6.34%	3.68%	2.45%			
2012	11,378,295,085	2,539,098,460	564,778,200	360,404,136	157,045,782	1,078,808,944	624,930,340	419,615,926	17,122,976,873	13,577,381,656	2.02250
% of Total	66.45%	14.83%	3.30%	2.10%	0.92%	6.30%	3.65%	2.45%			
2013	11,382,792,954	2,596,436,300	535,848,700	360,002,686	159,293,342	1,060,060,963	617,295,452	440,207,124	17,151,937,521	13,565,091,841	2.08521
% of Total	66.36%	15.14%	3.12%	2.10%	0.93%	6.18%	3.60%	2.57%			
2014	11,390,744,716	2,638,766,060	534,072,500	359,750,959	158,843,863	1,039,358,224	617,269,000	446,792,459	17,185,597,781	13,785,484,262	1.21807
% of Total	66.28%	15.35%	3.11%	2.09%	0.92%	6.05%	3.59%	2.60%			
2015	11,331,535,626	2,646,624,060	567,484,300	356,933,851	158,036,666	1,014,520,616	612,601,290	455,117,467	17,142,853,876	13,910,543,454	1.26109
% of Total	66.10%	15.44%	3.31%	2.08%	0.92%	5.92%	3.57%	2.65%			
2016	11,399,751,016	2,739,133,330	571,602,000	356,990,745	156,822,236	994,977,954	620,824,970	465,885,333	17,305,987,584	14,201,624,752	1.26545
% of Total	65.87%	15.83%	3.30%	2.06%	0.91%	5.75%	3.59%	2.69%			

Source: Wisconsin Department of Revenue, Bureau of Equalization

Notes:

- (1) The District is comprised of almost all of six (6) counties (Langlade, Lincoln, Marathon, Menominee, Price, and Taylor) and parts of four (4) counties (Clark, Portage, Shawano, and Waupaca). Real property values are presented for Langlade, Lincoln, Marathon, Menominee, Price, and Taylor counties. These six counties comprise over 91% of the District's total equalized valuation.
- (2) Due to varying assessment policies in the municipalities contained in the District, the District uses equalized value of taxable property for tax levy purposes. This equalized value of property approximates estimated actual (full) value of taxable property in the State of Wisconsin. The District Equalized Valuation is the equalized value of property, excluding tax incremental financing districts, with the District. The amount shown is for the six counties listed only. Therefore, the above total column will be greater than the actual total equalized value for the District.
- (3) Property tax rates are shown per \$1,000 of equalized value.

Northcentral Technical College District

Direct and Overlapping Property Tax Rates (2)

Last Ten Years

(Rate per \$1,000 of Equalized Value)

	Calendar Year Taxes are Payable									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District Direct Rates										
Operational (1)	0.639	0.635	0.627	1.510	1.497	1.499	1.499	1.473	1.468	1.478
Debt Service	0.626	0.626	0.591	0.575	0.526	0.523	0.476	0.439	0.382	0.386
Total Direct Rate	1.265	1.261	1.218	2.085	2.023	2.022	1.975	1.912	1.850	1.864
Clark County										
T Beaver	21.84	22.00	21.55	21.53	20.55	20.49	20.58	18.89	18.89	20.64
T Colby	21.06	21.27	20.74	20.84	21.42	19.56	18.98	18.36	18.69	19.73
T Eaton	22.32	24.28	24.18	25.01	24.23	23.49	23.20	21.67	21.81	22.40
T Fremont	21.98	22.24	22.38	22.52	22.52	22.43	21.92	20.16	19.52	19.10
T Green Grove	20.05	19.85	20.02	19.16	19.64	19.70	19.80	18.35	17.47	18.49
T Hoard	19.45	18.78	18.62	17.23	18.45	19.20	20.33	18.65	17.02	17.09
T Loyal	22.04	22.08	21.60	21.55	20.56	20.63	20.69	18.96	18.87	20.51
T Mayville	21.96	23.33	23.37	22.39	22.78	21.60	21.00	20.18	20.26	20.71
T Sherman	21.30	20.81	20.73	20.59	20.10	19.95	19.26	18.26	17.75	19.10
T Unity	21.60	21.25	21.39	21.36	21.65	20.69	19.85	19.21	19.19	20.49
T Warner	23.83	25.73	25.75	26.46	25.64	24.93	24.56	22.97	21.91	22.50
T Weston	19.71	20.39	19.92	20.72	21.63	21.16	20.76	19.45	18.60	19.44
T York	20.90	21.03	21.04	21.37	21.58	21.47	21.21	19.07	18.90	20.00
V Curtiss	21.04	32.94	32.81	31.04	31.49	30.84	27.81	24.10	28.28	26.90
V Dorchester	25.52	25.37	25.51	25.69	26.40	24.42	24.07	23.49	23.77	24.61
V Unity	22.99	23.34	23.38	23.39	23.83	22.31	21.30	20.63	21.04	22.35
C Abbotsford	24.08	27.85	26.49	26.57	26.60	25.33	24.86	24.19	23.51	23.14
C Colby	27.38	27.38	28.13	28.60	28.43	26.63	25.23	24.82	24.79	25.94
C Loyal	30.46	30.88	29.33	29.22	27.34	28.24	27.00	25.14	25.01	26.48
Langlade County										
T Ackley	17.50	17.58	17.62	17.79	16.84	18.11	17.52	16.32	15.39	15.75
T Antigo	18.13	18.35	18.55	19.05	18.30	19.49	18.93	17.75	16.79	17.05
T Evergreen	21.94	20.75	19.57	20.58	20.27	20.62	20.68	19.37	18.04	17.39
T Langlade	17.01	17.16	17.34	17.81	17.12	18.39	17.92	16.80	15.85	16.18
T Neva	18.07	18.26	17.77	18.13	17.52	18.62	18.01	16.26	15.33	15.82
T Norwood	17.00	17.31	17.63	18.05	17.34	18.61	18.00	16.85	16.01	16.45
T Peck	16.05	16.34	16.65	17.04	16.33	17.52	16.96	15.92	15.06	15.46
T Polar	17.32	17.67	17.89	18.24	17.53	18.85	18.32	17.06	16.26	16.73
T Price	16.47	16.79	17.07	17.50	16.78	18.05	17.48	16.26	15.42	15.83
T Rolling	17.98	18.29	18.65	19.05	18.23	19.50	18.89	17.78	16.97	17.37
T Summit	16.47	16.65	16.93	17.37	16.67	17.94	17.29	16.16	15.33	15.70
T Upham	13.25	13.38	13.62	14.23	13.55	13.78	13.67	13.44	11.98	12.51
T Vilas	17.33	17.62	17.46	17.89	17.20	18.48	17.86	16.74	15.88	16.27
T Wolf River	21.41	20.14	19.03	20.00	19.74	20.08	20.16	18.90	17.60	17.04
V White Lake	27.51	26.00	24.92	26.06	26.15	26.54	26.92	25.65	24.38	24.53
C Antigo	25.35	25.45	25.78	26.01	25.50	26.48	25.87	25.61	24.40	24.32
Lincoln County										
T Birch	17.26	17.61	18.27	18.42	17.23	17.08	17.44	15.96	15.14	15.33
T Corning	18.90	19.30	19.97	20.20	18.97	19.15	19.46	17.87	16.88	17.27
T Harding	17.95	18.31	18.93	19.12	17.58	17.79	18.14	16.64	15.61	16.01
T Harrison	16.66	16.35	16.54	17.54	16.13	16.31	16.16	15.05	14.36	15.06

Northcentral Technical College District

Direct and Overlapping Property Tax Rates (2) (Continued)

Last Ten Years

(Rate per \$1,000 of Equalized Value)

	Calendar Year Taxes are Payable									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>Lincoln County (Continued)</u>										
T Merrill	18.37	18.73	19.37	19.51	18.32	18.54	19.01	17.36	16.37	16.81
T Pine River	19.23	19.67	20.39	20.64	19.35	19.51	19.84	18.08	17.04	17.68
T Rock Falls	17.71	17.93	18.55	18.83	17.62	17.89	18.14	16.76	15.79	16.25
T Russell	18.79	19.14	19.67	19.78	18.55	18.76	19.20	17.62	16.48	16.76
T Schley	17.79	18.16	18.82	18.98	17.75	17.98	18.34	16.84	15.79	16.18
T Scott	19.20	19.69	20.41	20.51	19.20	19.50	19.81	18.28	17.15	17.51
C Merrill	32.37	32.08	33.00	31.02	29.17	29.48	29.79	27.88	26.10	26.19
<u>Marathon County</u>										
T Bergen	16.99	17.48	18.16	19.25	18.99	19.11	18.52	17.54	17.00	16.70
T Berlin	19.90	20.21	19.98	20.69	20.66	20.79	20.45	19.63	18.43	18.99
T Bern	18.60	19.18	19.02	19.89	19.83	19.48	19.74	18.86	18.60	18.46
T Bevent	17.86	18.23	18.88	18.82	18.99	17.84	17.65	19.67	17.46	18.50
T Brighton	20.04	19.58	19.85	20.50	20.91	20.11	18.92	18.99	18.59	19.23
T Cassel	18.48	18.51	18.57	18.91	19.20	19.27	18.41	17.70	16.81	17.01
T Cleveland	18.35	17.99	18.14	19.15	18.93	18.86	18.11	17.34	16.92	17.04
T Day	19.99	19.66	20.13	20.58	20.36	20.03	19.31	18.50	17.37	17.02
T Easton	21.29	22.15	22.34	21.92	21.75	21.17	20.67	19.94	20.68	19.89
T Eau Pleine	17.13	16.88	17.17	18.12	17.83	17.77	16.95	16.21	15.86	15.79
T Elderon	16.25	17.50	17.78	17.45	17.91	17.71	16.73	16.86	15.12	15.03
T Emmet	17.83	17.98	18.34	18.68	18.58	18.69	17.93	17.07	16.45	16.41
T Frankfort	18.50	18.66	18.69	19.48	19.49	18.83	18.21	17.68	17.54	17.82
T Franzen	17.06	18.36	18.69	17.69	17.88	17.67	16.99	17.16	15.29	15.17
T Green Valley	19.03	19.14	19.57	20.74	20.48	20.46	19.74	18.51	17.91	17.63
T Guenther	19.59	20.10	20.99	21.77	21.98	21.52	20.83	19.64	19.50	18.38
T Halsey	19.90	20.53	20.42	21.28	20.07	19.72	20.15	19.24	18.94	18.79
T Hamburg	18.83	19.47	20.10	19.95	19.26	19.39	19.63	18.47	17.65	17.97
T Harrison	15.74	16.44	16.74	17.15	16.54	17.75	17.25	16.55	15.86	16.30
T Hewitt	21.57	22.21	21.95	22.55	22.59	22.66	22.20	21.22	19.97	20.56
T Holton	16.72	17.96	18.07	18.60	18.88	17.62	17.25	17.01	17.36	17.48
T Hull	17.85	18.08	18.11	18.78	19.46	18.03	17.71	17.59	18.20	18.96
T Johnson	18.85	20.10	19.76	20.39	20.32	19.26	19.90	19.09	18.30	17.92
T Knowlton	16.96	17.40	18.13	19.29	19.06	19.16	18.43	17.35	16.82	16.56
T Maine		22.11	21.83	21.98	21.93	22.13	21.95	20.95	20.00	20.38
T Marathon	18.92	18.42	18.77	18.77	19.72	19.66	18.66	18.09	17.21	17.37
T McMillan	18.14	18.44	18.55	19.48	19.61	19.11	18.76	18.53	17.70	16.72
T Mosinee	17.50	17.87	18.60	19.60	19.51	19.56	18.89	17.74	17.23	17.01
T Norrie	17.26	17.42	17.66	17.55	17.59	17.37	16.54	16.56	15.02	14.92
T Plover	18.95	20.12	20.43	20.00	20.15	20.51	19.70	19.20	17.85	18.06
T Reid	16.89	17.83	18.27	18.62	18.70	18.55	17.76	17.46	16.34	16.26
T Rib Falls	18.78	18.82	18.67	18.84	19.34	19.36	18.59	17.88	16.99	17.10
T Rib Mountain	21.25	21.75	21.29	22.18	21.99	21.95	21.65	20.79	19.53	20.10
T Rietbrock	19.33	19.89	19.73	20.56	20.39	20.14	20.20	19.27	18.90	18.86
T Ringle	17.87	18.53	18.63	19.65	19.32	18.82	18.33	17.72	17.64	17.60
T Spencer	19.77	18.82	19.22	19.82	20.11	19.89	18.18	18.66	17.47	17.99
T Stettin	20.66	20.88	20.78	21.45	21.72	21.78	21.36	20.61	19.51	20.15
T Texas	21.35	20.97	20.66	21.44	21.38	21.50	21.22	20.31	18.97	19.50
T Wausau	21.26	21.73	21.46	21.64	21.03	20.90	20.79	20.01	18.96	19.36

Northcentral Technical College District

Direct and Overlapping Property Tax Rates (2) (Continued)

Last Ten Years

(Rate per \$1,000 of Equalized Value)

	Calendar Year Taxes are Payable									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>Marathon County (Continued)</u>										
T Weston	18.38	19.08	19.09	19.12	18.81	18.31	17.87	17.24	17.17	17.16
T Wien	18.45	18.46	18.21	19.06	18.63	18.81	18.08	17.18	16.43	16.69
V Athens	24.27	25.08	25.13	26.17	26.30	25.63	25.68	24.74	24.48	24.18
V Birnamwood	18.43	19.73	19.86	19.37	19.83	19.56	18.77	19.03	16.98	17.89
V Brokaw	34.02	47.00	37.93	43.17	38.81	30.08	28.97	25.79	24.47	25.25
V Dorchester	20.40	23.75	22.80	23.48	22.35	20.69	21.93	21.43	22.58	23.79
V Edgar	22.68	23.02	22.89	23.37	22.72	22.85	22.32	21.16	20.07	20.52
V Elderon	16.87	18.18	18.55	18.28	18.64	18.33	17.57	17.59	15.89	15.83
V Fenwood	18.82	18.90	18.64	19.46	18.91	19.12	18.53	17.57	16.68	16.97
V Hatley	19.92	20.41	20.50	21.39	21.24	20.47	20.04	19.32	19.18	18.60
V Kronenwetter	19.84	21.69	22.07	22.86	22.60	21.95	21.12	19.89	19.62	19.36
V Maine	21.69									
V Marathon	23.92	23.75	23.98	23.94	25.00	24.55	23.53	22.79	21.83	22.20
V Rothschild	24.06	24.91	24.72	25.53	24.89	23.86	23.45	22.91	22.56	22.43
V Spencer	24.73	23.95	24.75	25.11	25.27	25.19	23.18	23.63	22.40	23.16
V Stratford	21.05	20.60	21.47	22.49	22.26	22.05	21.19	20.29	19.86	19.61
V Unity	19.21	19.70	19.90	20.84	21.40	20.14	19.29	18.93	19.07	20.04
V Weston	23.01	23.73	23.66	24.40	23.99	23.14	22.76	21.89	21.66	21.76
C Abbotsford	20.95	23.98	24.30	24.54	24.58	23.26	23.01	22.44	21.73	21.28
C Colby	24.22	24.32	24.92	26.08	25.88	24.16	23.00	22.95	23.02	23.89
C Mosinee	23.09	23.53	23.68	24.52	24.20	23.81	22.90	21.76	21.02	20.91
C Schofield	24.02	25.47	24.87	25.54	25.21	24.73	24.43	23.40	23.03	23.16
C Wausau	27.60	27.49	26.77	27.89	27.49	27.29	27.03	26.00	24.42	25.56
<u>Menominee County</u>										
T Menominee	20.46	22.86	22.48	22.71	21.63	20.61	20.49	19.08	20.53	22.45
<u>Portage County</u>										
T Alban	20.13	20.13	20.71	20.94	20.66	19.22	19.40	21.15	18.71	19.80
T New Hope	17.58	17.49	17.89	18.67	18.53	17.69	17.58	17.77	15.95	16.83
T Sharon	18.29	18.42	18.56	19.76	19.52	18.69	18.41	19.75	17.98	18.46
T Stockton	17.02	17.34	17.21	19.07	18.75	18.20	18.14	18.48	17.28	17.30
V Rosholt	23.38	23.61	24.50	24.98	22.99	21.81	21.40	23.19	20.62	21.46
<u>Price County</u>										
T Catawba	17.42	17.78	16.93	17.89	18.04	17.27	17.56	16.19	15.98	15.96
T Eisenstein	16.57	16.85	14.80	16.36	16.13	15.43	17.00	16.10	13.69	13.63
T Elk	17.82	18.89	17.47	18.33	18.63	17.69	18.01	16.59	16.57	16.68
T Emery	17.23	17.93	16.88	17.72	17.99	17.17	17.47	16.03	15.92	15.98
T Fifield	18.60	18.39	16.67	18.35	18.20	17.43	19.03	18.36	15.91	15.85
T Flambeau	17.97	18.91	17.58	18.72	18.39	17.50	17.74	16.30	16.14	16.15
T Georgetown	17.46	18.26	17.16	18.06	18.29	17.45	17.67	16.44	16.29	16.36
T Hackett	19.75	19.95	18.30	19.66	19.13	18.99	19.23	17.82	16.78	16.81
T Harmony	18.17	19.29	17.77	18.56	18.63	17.84	18.11	16.65	16.56	16.54
T Hill	20.41	19.56	18.42	19.88	19.29	19.17	19.31	18.09	17.19	17.06
T Kennan	18.57	19.31	17.84	18.77	19.04	18.16	18.31	17.26	17.06	16.98
T Knox	19.40	18.90	17.70	19.68	19.16	19.27	19.53	18.31	16.90	16.95
T Lake	17.00	16.88	15.86	17.50	17.17	16.43	17.83	17.01	14.56	14.62
T Ogema	21.34	21.19	19.06	20.98	19.48	19.61	19.84	18.60	17.13	17.06

Northcentral Technical College District

Direct and Overlapping Property Tax Rates (2) (Continued)

Last Ten Years

(Rate per \$1,000 of Equalized Value)

	Calendar Year Taxes are Payable									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>Price County</u> (Continued)										
T Prentice	20.19	19.54	18.41	20.07	19.23	19.44	19.54	18.24	16.80	16.79
T Spirit	19.91	20.18	19.18	20.44	19.94	19.49	19.45	18.25	18.13	17.81
T Worcester	17.17	17.94	16.86	17.69	17.95	17.12	17.36	15.89	15.82	15.95
V Catawba	17.18	17.62	16.89	17.81	17.99	17.22	17.55	16.11	15.98	16.06
V Kennan	17.09	17.52	16.80	17.72	17.89	17.16	17.45	15.99	15.87	15.97
V Prentice	23.51	23.06	21.83	23.54	22.89	23.09	23.30	21.81	20.19	20.42
C Park Falls	28.92	29.29	27.18	29.82	27.41	25.45	27.17	25.73	22.61	22.28
C Phillips	25.79	27.78	25.58	26.27	26.74	25.81	25.88	23.99	23.61	24.07
<u>Shawano County</u>										
T Almon	18.45	18.51	18.41	19.09	19.25	19.31	18.09	15.98	15.58	17.59
T Aniwa	16.53	17.41	17.66	17.46	17.50	17.77	17.08	16.58	15.14	15.27
T Bartelme	16.63	16.61	16.50	17.26	17.35	17.40	16.23	14.07	13.78	15.48
T Birnamwood	16.49	17.65	17.86	17.45	17.91	17.58	16.74	16.55	14.61	14.53
T Fairbanks	21.34	21.42	21.25	21.80	20.69	20.40	20.62	18.70	18.09	18.00
T Germania	18.34	18.74	18.67	18.80	18.34	18.07	17.80	16.68	15.48	15.35
T Grant	20.17	19.84	19.77	20.96	19.73	19.05	19.39	18.04	17.29	17.50
T Hutchins	17.03	17.35	17.48	17.97	17.64	18.31	17.63	16.33	15.64	16.64
T Morris	19.13	19.35	19.30	19.73	19.44	19.27	18.71	17.09	16.38	16.99
T Seneca	18.93	18.45	18.47	19.26	19.14	19.04	18.16	16.10	15.77	17.33
T Wittenberg	16.76	17.92	18.05	17.70	18.16	17.81	16.94	16.79	14.84	14.80
V Aniwa	15.92	16.46	16.74	17.07	16.45	17.57	17.08	16.12	15.25	15.75
V Birnamwood	19.94	20.84	21.26	20.54	20.62	20.23	19.53	19.49	17.36	18.33
V Bowler	17.42	17.41	17.31	17.97	18.14	18.17	16.97	14.72	14.31	16.07
V Eland	17.02	18.00	18.68	18.29	18.69	18.35	17.39	16.95	14.90	15.01
V Mattoon	17.62	18.43	18.66	17.20	18.74	19.73	18.81	17.63	16.63	17.26
V Tigerton	25.04	25.16	25.13	25.24	24.11	23.57	23.56	21.11	20.50	20.32
V Wittenberg	20.38	21.25	21.13	20.55	21.00	20.90	20.05	19.74	17.91	18.13
<u>Taylor County</u>										
T Browning	19.41	19.44	19.00	19.99	19.91	19.57	19.01	17.89	16.88	17.03
T Chelsea	18.99	18.98	18.57	19.54	19.33	18.97	18.40	17.26	16.25	16.41
T Deer Creek	20.48	20.54	20.09	21.08	20.99	20.58	20.00	18.80	17.83	17.89
T Goodrich	19.85	19.89	19.43	20.42	20.35	19.98	19.38	18.30	17.17	17.39
T Greenwood	20.48	21.79	21.11	21.74	21.63	20.78	20.62	19.19	19.46	18.88
T Grover	22.20	22.23	22.26	22.63	21.67	20.84	20.59	18.83	18.06	17.94
T Hammel	20.42	20.45	19.94	21.00	20.84	20.31	19.53	18.42	17.36	17.48
T Holway	20.67	20.28	19.83	21.27	20.73	20.36	19.50	17.91	17.90	17.34
T Little Black	19.93	20.04	19.60	20.74	20.63	20.19	19.61	18.42	17.43	17.49
T Maplehurst	20.48	20.33	20.74	20.03	20.28	20.65	21.06	19.28	17.72	17.91
T Medford	19.77	19.79	19.37	20.36	20.32	19.98	19.41	18.19	17.18	17.35
T Molitor	20.76	20.81	20.36	21.35	21.20	20.91	20.34	19.26	18.11	18.30
T Rib Lake	21.29	22.63	21.91	22.59	22.57	21.61	21.45	20.03	20.36	19.83
T Westboro	21.72	23.03	22.23	22.81	22.89	22.01	21.88	20.42	20.62	20.15
V Rib Lake	25.26	26.35	25.62	26.45	26.75	26.01	25.99	24.06	24.37	23.82
V Stetsonville	19.90	19.89	19.28	20.41	20.46	19.98	19.49	18.23	17.24	17.22
C Medford	24.88	24.76	24.29	25.35	25.18	24.76	24.14	22.66	21.35	21.33

Northcentral Technical College District

Direct and Overlapping Property Tax Rates (2) (Continued)

Last Ten Years

(Rate per \$1,000 of Equalized Value)

	Calendar Year Taxes are Payable									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>Waupaca County</u>										
T Harrison	20.47	20.14	20.20	20.52	20.35	19.23	19.27	19.63	17.54	18.45
T Wyoming	18.44	18.91	19.12	20.13	19.05	18.17	18.37	17.35	16.40	16.63

Source: Town, Village, and City Taxes, Wisconsin Department of Revenue, Division of State and Local Finance, Bureau of Local Government Services

Notes:

- (1) The operational property tax includes tax levies for all District funds except the debt service fund. By State Statutes, through 2013, the operational mill rate may not exceed \$1.50. Beginning 2014, the operational mill rate may increase based on net new construction.
- (2) Tax rates shown for overlapping governments are the Full Value Rates - Gross. This rate is the total property tax divided by the full value of all taxable general property in the municipality, excluding tax incremental financing (TIF) districts. Total property tax includes state taxes and special charges on counties and tax districts, state trust fund loans, general county and county special purpose taxes, local taxes, county special charges, special purpose district taxes, and school taxes (elementary, secondary, and technical college). It reflects the amount of surplus funds applied (if any) by a tax district to reduce any of the above apportionments or charges. It does not include special assessments and charges to individuals, delinquent taxes, omitted taxes, forest crop taxes, managed forest land taxes, or occupational taxes.

Northcentral Technical College District

Principal Property Taxpayers

Current Year and Nine Years Ago

Name of Business	Type of Business	Year Ended June 30, 2017			Year Ended June 30, 2008		
		2016 Equalized Valuation	Rank	Percent of NTC Total Equalized Valuation	2007 Equalized Valuation	Rank	Percent of NTC Total Equalized Valuation
ASPIRUS Hospital (Wausau only)	Hospital	\$52,861,700	1	0.34%			
Marshfield Clinic	Health care	48,855,700	2	0.31%	\$45,119,853	3	0.30%
Spirit Falls Timber, LLC	Forestry	41,346,100	3	0.27%			
Greenheck Fan Corporation	Manufacturer of industrial fans	29,595,200	4	0.19%	25,301,873	9	0.17%
Packaging Corporation of America	Paper mill/manufacturer of corrugated medium	26,594,600	5	0.17%	25,254,200	10	0.17%
Kocurek Holdings, Inc.	Retail	25,583,700	6	0.16%			
First Wausau Tower, LLC	Commercial high-rise building	25,046,100	7	0.16%			
Menards, Inc.	Retail	23,713,200	8	0.15%			
Wausau Hospitals, Inc.	Health care	22,616,400	9	0.15%			
Saint Clare's Hospital	Health care	22,489,800	10	0.14%	27,739,116	7	0.19%
Plum Creek Timberlands	Timber				59,328,624	1	0.40%
Potlatch Forest Holdings	Timber				47,913,600	2	0.32%
Employers Insurance of Wausau	Insurance				43,543,398	4	0.29%
Wausau-Mosinee Paper Corporation	Manufacturer of paper products				37,175,626	5	0.25%
ASPIRUS (Wausau)	Health care				30,013,908	6	0.20%
The Lodge at Cedar Creek	Hotel				27,374,634	8	0.18%
Totals		\$318,702,500		2.04%	\$368,764,832		2.47%
Northcentral Technical College Equalized Valuation (TID Out)		\$15,589,508,123			\$14,815,480,215		

Source: R.W. Baird & Co., Inc.

Northcentral Technical College District

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Cumulative Amount Collected As of June 30, 2017	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$27,612,283	\$19,017,502	68.87%	\$8,594,781	\$27,612,283	100.00%
2009	28,825,835	19,483,735	67.59%	9,342,100	28,825,835	100.00%
2010	29,889,770	20,076,075	67.17%	9,813,695	29,889,770	100.00%
2011	30,356,734	20,389,319	67.17%	9,967,415	30,356,734	100.00%
2012	30,813,128	20,957,574	68.02%	9,855,554	30,813,128	100.00%
2013	30,098,272	20,661,950	68.65%	9,436,322	30,098,272	100.00%
2014	31,070,611	21,655,487	69.70%	9,415,124	31,070,611	100.00%
2015	18,408,799	12,899,921	70.07%	5,508,878	18,408,799	100.00%
2016	19,232,908	13,600,130	70.71%	5,632,778	19,232,908	100.00%
2017	19,727,694	14,120,007	71.57%	5,607,687	19,727,694	100.00%

Tax Levies, Rates, and Collections

Personal property taxes, special assessments, special charges, and special taxes must be paid to the town, city, or village treasurer in full by January 31. Real property taxes may be paid in full by January 31, or in two equal installments payable by January 31 and July 31. Municipalities also have the option of adopting payment plans which allow taxpayers to pay their real property taxes and special assessments in three or more installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30, and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city, or village treasurer. Amounts paid after January 31 are paid to the county treasurer unless the municipality has authorized payment in three or more installments; in which case payment is made to the town, city, or village treasurer. Any amounts paid after July 31 are paid to the county treasurer.

For municipalities which have not adopted an installment payment plan, the town, city, or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15 and February 20. For municipalities which have adopted an installment payment plan, the town, city, or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15, February 15, and the 15th day of each month following a month in which an installment payment is due. On or before August 20, the county treasurer must settle in full with the underlying tax districts for all real property taxes and special taxes. The county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property, retaining any penalties or interest on the delinquencies for which it has settled. Since, in practice, all delinquent real estate taxes are withheld from the county's share of taxes, the District receives 100% of the real estate taxes it levies.

Northcentral Technical College District

Schedule of Ratios of Outstanding Debt

Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Obligation Debt										
General obligation notes	\$45,225,000	\$45,450,000	\$40,585,000	\$38,265,000	\$36,115,000	\$31,525,000	\$29,915,000	\$27,940,000	\$25,200,000	\$23,005,000
Debt service fund assets available	(2,466,861)	(1,986,343)	(1,852,626)	(1,496,700)	(1,109,910)	(1,345,396)	(1,191,976)	(1,059,175)	(1,013,297)	(924,962)
Net general obligation debt	\$42,758,139	\$43,463,657	\$38,732,374	\$36,768,300	\$35,005,090	\$30,179,604	\$28,723,024	\$26,880,825	\$24,186,703	\$22,080,038
Per capita	\$199.37	\$202.89	\$180.54	\$171.46	\$153.29	\$132.33	\$121.61	\$114.06	\$103.41	\$95.02
Per full-time equivalent student	\$13,189.22	\$12,702.36	\$11,304.76	\$9,942.48	\$9,309.12	\$8,073.51	\$7,474.31	\$7,279.06	\$7,637.34	\$7,481.72
Percent of equalized value	0.26%	0.27%	0.24%	0.24%	0.23%	0.19%	0.18%	0.16%	0.15%	0.14%
Percent of personal income	0.44%	0.46%	0.42%	0.41%	0.40%	0.35%	0.34%	0.34%	0.30%	0.27%
General Obligation and Other Debt										
General obligation notes	\$45,225,000	\$45,450,000	\$40,585,000	\$38,265,000	\$36,115,000	\$31,525,000	\$29,915,000	\$27,940,000	\$25,200,000	\$23,005,000
Plus deferred premium	1,043,242	846,977	675,454	607,005	554,005	339,765	247,128	125,301	80,834	66,887
Plus capital lease obligations					4,773	60,253	112,559	161,870	208,360	
General obligation and other debt	\$46,268,242	\$46,296,977	\$41,260,454	\$38,872,005	\$36,673,778	\$31,925,018	\$30,274,687	\$28,227,171	\$25,489,194	\$23,071,887
Per capita	\$215.74	\$216.11	\$192.33	\$181.27	\$160.59	\$139.98	\$128.17	\$119.78	\$108.98	\$99.29
Per full-time equivalent student	\$14,271.95	\$13,530.40	\$12,042.63	\$10,511.35	\$9,752.89	\$8,540.44	\$7,878.08	\$7,643.63	\$8,048.63	\$7,817.80
Percent of equalized value	0.28%	0.29%	0.26%	0.25%	0.24%	0.20%	0.19%	0.17%	0.16%	0.15%
Percent of personal income	0.47%	0.49%	0.44%	0.43%	0.42%	0.37%	0.36%	0.36%	0.32%	0.29%

Notes:

- (1) Ratios using population and personal income are calculated based on the preceding calendar year. See schedule of demographic statistics.
- (2) Debt per student is calculated using full-time equivalent enrollment. See schedule of enrollment statistics.

Northcentral Technical College District

Computation of Direct and Overlapping Debt Year Ended June 30, 2017

Name of Entity (1)	Net Debt Outstanding	Percent Applicable to District (2)	Outstanding Debt Applicable to District
Clark County	\$2,463,492	27.17 %	\$669,331
Langlade County	620,178	67.38	417,876
Lincoln County	17,145,000	48.63	8,337,614
Marathon County	4,552,515	96.72	4,403,193
Menominee County	1,660,570	100.00	1,660,570
Portage County	10,300,000	4.17	429,510
Price County	654,740	100.00	654,740
Shawano County	1,953,772	20.85	407,361
Taylor County	3,820,000	80.40	3,071,280
Waupaca County	24,325,000	0.74	180,005
Total Cities	96,771,487	100.00	96,771,487
Total Towns	13,928,781	Varies	12,879,972
Total Villages	48,197,712	100.00	48,197,712
Total School Districts	154,103,064	Varies	153,810,158
Total Sanitary Districts	14,764,367	100.00	14,764,367
Subtotal, overlapping debt			346,655,177
District direct debt			
General Obligation Notes			45,225,000
Deferred Premium			1,043,242
Total direct and overlapping debt			\$392,923,419
2016 equalized valuation - TID In			\$16,349,721,673
Direct, overlapping, and underlying indebtedness as a percentage of equalized valuation			2.40%
Population of District			214,465
Direct and overlapping, indebtedness per capita			\$1,832

Source: R.W. Baird & Co.

Notes:

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses located in the District boundaries. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.
- (2) The percentage of overlapping debt applicable to the District is the equalized property value of property of the overlapping government located in the District as a percentage of total equalized value of all property for the overlapping government.

Northcentral Technical College District

Legal Debt Margin Information

Year Ended June 30, 2017

Legal Debt Margin Calculation for Fiscal Year 2017

2016 Equalized Valuation - TID In	\$16,349,721,673
	x 5%
Total debt limit - 5% of equalized valuation	817,486,084
Debt applicable to limit:	
General obligation notes	\$45,225,000
Less: debt service funds available (GAAP Basis)	2,466,861
Total amount of debt applicable to debt limit	42,758,139
Legal total debt margin	\$774,727,945

Legal Debt Margin, Last Ten Fiscal Years

Fiscal Year	Debt Limit	Total Net Debt Applicable to the Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2008	\$774,310,921	\$22,080,038	\$752,230,883	2.85%
2009	817,607,983	24,186,703	793,421,280	2.96%
2010	819,616,285	26,880,825	792,735,460	3.28%
2011	801,019,744	28,723,024	772,296,720	3.59%
2012	794,725,560	30,179,604	764,545,956	3.80%
2013	774,738,639	35,005,090	739,733,549	4.52%
2014	777,917,097	36,768,300	741,148,797	4.73%
2015	791,190,524	38,732,374	752,458,150	4.90%
2016	799,784,297	43,463,657	756,320,640	5.43%
2017	817,486,084	42,758,139	774,727,945	5.23%

Notes:

Bonded indebtedness may not exceed 2% of equalized valuation and total indebtedness may not exceed 5% of equalized valuation including all tax incremental financing districts (TIDs). For fiscal years 2008 to 2017, the District had no bonded indebtedness.

Northcentral Technical College District

Demographic Statistics for Marathon, Lincoln, Langlade, Menominee, Price, and Taylor Counties (1)

Historical Comparisons

Year	District Population(3)	County Population (2)						Total Personal Income (5)	Per Capita Personal Income (4)						Unemployment Rate (6)					
		Marathon	Lincoln	Langlade	Menominee	Price	Taylor		Marathon	Lincoln	Langlade	Menominee	Price	Taylor	Marathon	Lincoln	Langlade	Menominee	Price	Taylor
2008	232,373	135,190	30,681	21,680	4,630	16,088	20,065	\$8,037,755	\$38,735	\$35,576	\$32,009	\$22,614	\$34,382	\$29,679	5.4	7.6	8.1	10.4	7.0	8.3
2009	233,887	136,376	30,781	21,844	4,655	16,173	20,177	7,958,961	37,995	36,011	32,413	24,426	33,985	28,887	9.5	11.9	11.0	13.5	11.3	12.1
2010	235,667	134,063	28,743	19,977	4,232	14,159	20,689	7,949,245	37,717	35,106	32,864	24,436	35,758	29,981	7.8	10.1	10.1	15.3	9.4	9.2
2011	236,199	134,414	28,668	19,901	4,202	14,000	20,681	8,368,128	39,847	36,770	34,501	24,246	37,259	31,197	6.8	8.4	9.2	14.2	7.7	7.9
2012	228,061	134,524	28,856	19,880	4,214	14,055	20,697	8,610,039	40,800	36,841	36,569	25,203	39,975	33,258	6.7	8.5	8.8	15.1	7.2	6.6
2013	228,363	134,679	29,134	19,835	4,221	14,117	20,720	8,653,471	40,872	37,073	36,875	25,917	39,616	33,690	5.8	7.4	8.3	13.4	6.3	6.6
2014	214,440	134,803	28,816	19,847	4,236	14,155	20,733	9,073,535	42,932	38,537	38,677	25,467	42,173	35,249	3.9	5.2	6.4	9.9	4.4	5.1
2015	214,532	135,341	28,835	19,907	4,244	14,133	20,715	9,298,281	43,921	39,916	39,900	27,013	43,128	35,931	3.6	4.7	5.7	7.6	4.4	4.7
2016	214,225	135,483	28,787	19,995	4,256	14,086	20,741	9,528,952	44,933	41,344	41,162	28,653	44,105	36,626	3.2	4.3	4.9	6.8	4.5	4.7
2017	214,465	134,943	28,830	20,072	4,248	14,028	20,692	9,765,725	45,968	42,824	42,463	30,392	45,103	37,335	3.1	3.5	4.6	6.5	3.8	2.9

Notes:

- (1) Marathon, Lincoln, and Taylor Counties are the most populous counties in the District. The District includes almost all of the above six (6) counties and parts of four (4) other counties. These six counties comprise over 91% of the District's total equalized valuation.
- (2) Source: Wisconsin Department of Administration, Demographic Services Center (including 2010 Census).
- (3) Source: Wisconsin Technical College System (based on Wisconsin Department of Administration Final Population Estimates).
- (4) Source: U.S. Department of Commerce, Bureau of Economic Analysis.
*Figures for 2016 and 2017 are estimates based on the rate of change from 2014 to 2015, subject to future revision.
- (5) Source: U.S. Department of Commerce, Bureau of Economic Analysis. Total includes Marathon, Lincoln, Langlade, Menominee, Price, and Taylor counties only. Amounts in thousands.
*Figures for 2016 and 2017 are estimates based on the rate of change from 2014 to 2015, subject to future revision.
- (6) Source: Wisconsin Department of Workforce Development. 2017 Unemployment rates are through June 30, 2017.

Northcentral Technical College District

Principal Employers

Current Year and Nine Years Ago

Name of Business	County	Type of Business	Year Ended June 30, 2017			Year Ended June 30, 2008		
			Number of Employees	Rank	Percent of District Population	Number of Employees	Rank	Percent of District Population
Wausau School District	Marathon	Education	1,444	1	0.67 %	1,300	5	0.56 %
Kolbe & Kolbe Millwork	Marathon	Manufacturer of windows/doors	1,400	2	0.65	1,450	4	0.62
Sheet Metal Workers Local 565	Marathon	Labor organization	1,300	3	0.61			
UMR (United Healthcare Services)	Marathon	Insurance	1,200	4	0.56			
Wausau Insurance/Liberty Mutual	Marathon	Insurance	1,200	5	0.56	1,000	9	0.43
Church Mutual Insurance Company	Lincoln	Insurance	1,050	6	0.49	533	15	0.23
ASPIRUS Hospital (Wausau only)	Marathon	Hospital	1,001	7	0.47	2,300	3	0.99
Marathon Electric Motors	Marathon	Electric motor manufacturer	1,000	8	0.47			
North Central Health Care	Marathon	Medical hospital	999	9	0.47			
Harley Davidson Motor Co.	Lincoln	Manufacturer of motor cycles	840	10	0.39			
Marathon County	Marathon	Government	750	11	0.35			
Marathon Cheese Corporation	Marathon	Cheese packaging	750	12	0.35	1,000	11	0.43
Nestle Pizza Corporation (formerly Kraft Pizza Co.)	Taylor	Manufacturer of frozen pizza	600	13	0.28	400	20	0.17
Aspirus Medford Hospital	Taylor	Hospital	600	14	0.28			
Expera Specialty Solutions	Lincoln	Paper manufacturer	521	15	0.24			
Drs. Foster & Smith Inc.	Lincoln	Veterinary care services provider	511	16	0.24			
Packaging Corporation of America	Lincoln	Paper mill/manufacturer of corrugated medium	500	17	0.23	500	16	0.22
Marquip Ward United	Price	Manufacturer of industrial equipment products	500	18	0.23	1,047	8	0.45
Hurd Windows & Doors, Inc.	Taylor	Manufacturer of windows/doors	500	19	0.23			
Lincoln County	Lincoln	Government	477	20	0.22			
ASPIRUS Clinic (includes nine counties)	Various	Health care				3,500	1	1.51
Greenheck Fan Corporation	Marathon	Manufacturer of industrial fans				2,582	2	1.11
Wausau-Mosinee Paper Corporation	Marathon	Manufacturer of paper products				1,287	6	0.55
Peachtree Companies (SNE Enterprises Inc.)	Marathon	Manufacturer of windows/doors				1,200	7	0.52
Eastbay (Foot Locker)	Marathon	Sporting goods retail/distribution				1,000	10	0.43
Weathershield Manufacturing Inc.	Taylor	Manufacturer of windows/doors				1,000	12	0.43
Price County Publications	Price	Publisher of newspapers without printing				600	13	0.26
Lincoln Wood Products	Lincoln	Manufacturer of windows/doors				600	14	0.26
Memorial Health Center	Taylor	Health care				500	17	0.22
Merrill Area Common Public School District	Lincoln	Education				500	18	0.22
Hurd Millwork Co., Inc.	Taylor	Manufacturer of windows/doors				404	19	0.17
Total			17,143		7.99 %	22,703		9.77 %

Source: R.W. Baird & Co. Information provided for Lincoln, Marathon, Price, and Taylor Counties only.

Northcentral Technical College District

Full-Time Employees by Equal Employment Opportunity Classification

Last Ten Fiscal Years

	Full-Time Employees as of June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>District Totals:</u>										
Executive/Administrative/Managerial	64	70	61	72	68	69	64	61	57	53
Faculty	140	137	129	121	124	134	147	152	142	161
Secretarial/Clerical	54	49	50	44	50	66	73	79	62	83
Professional Nonfaculty	40	31	36	22	17	21	27	32	22	32
Technical/Paraprofessional	43	44	52	46	46	53	53	44	44	48
Skilled Craft	8	8	9	7	8	7	7	7	7	8
Service/Maintenance	5	4	4	6	6	8	16	12	7	17
District Total	354	343	341	318	319	358	387	387	341	402

Sources:

2013-2017 NTC Human Resources Office

2008-2012 WTCS State Office

Northcentral Technical College District

Enrollment Statistics Historical Comparisons Last Ten Fiscal Years

	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Student enrollment:										
Associate degree	32,168	32,940	32,733	33,582	33,364	32,702	33,672	31,250	24,554	21,848
Vocational:										
Diploma	3,151	3,302	3,133	3,353	4,656	4,254	4,497	4,115	4,499	3,974
Adult	11,883	12,682	12,250	11,606	14,126	12,181	12,914	14,870	17,202	20,782
Basic education	13,738	14,174	12,217	16,005	14,993	15,638	16,031	17,047	16,706	15,837
Total duplicated	60,940	63,098	60,333	64,546	67,139	64,775	67,114	67,282	62,961	62,441
Total unduplicated (A)	31,287	33,193	23,958	24,766	26,466	24,745	25,712	27,039	27,060	27,081
Full-time equivalent (B):										
Associate degree	2,487.4	2,603.3	2,658.2	2,775.8	2,762.9	2,790.2	2,844.2	2,652.8	2,089.6	1,904.0
Vocational:										
Diploma	207.8	236.2	244.9	289.9	399.9	354.0	360.0	330.4	355.7	324.0
Adult	97.2	122.1	113.2	111.0	105.2	104.4	111.8	134.4	150.3	172.2
Basic education	449.5	460.1	409.9	521.4	492.3	489.5	526.9	575.3	571.3	551.0
Total unduplicated	3,241.9	3,421.7	3,426.2	3,698.1	3,760.3	3,738.1	3,842.9	3,692.9	3,166.9	2,951.2

Notes:

(A) The unduplicated headcount listed is based on unduplicated enrollment within each degree category, however, many students enroll in several degree categories.

(B) A full-time equivalent (FTE) is equal to 30 annual student credits based on a mathematical calculation which varies somewhat by program and which is subject to state approval and audit of student and course data.

Northcentral Technical College District

Operational Expenditures Per Full-Time Equivalent (FTE) Student

Last Ten Fiscal Years

Year Ended June 30,	<u>Operational Expenditures (1)</u>		<u>Student Enrollments</u>		<u>Operational Expenditures per FTE</u>	
	Amount	Percent Increase (Decrease)	FTE's	Percent Increase (Decrease)	Per FTE	Percent Increase (Decrease)
2008	\$38,878,049	7.44	2,951	8.13	\$13,175	(0.64)
2009	42,495,448	9.30	3,167	7.32	13,418	1.84
2010	43,341,038	1.99	3,693	16.61	11,736	(12.54)
2011	44,549,382	2.79	3,843	4.06	11,592	(1.23)
2012	44,195,657	(0.79)	3,738	(2.73)	11,823	1.99
2013	43,881,018	(0.71)	3,760	0.59	11,670	(1.29)
2014	46,510,796	5.99	3,698	(1.65)	12,577	7.77
2015	48,793,478	4.91	3,426	(7.36)	14,242	13.24
2016	48,716,358	(0.16)	3,422	(0.12)	14,236	(0.04)
2017	48,507,997	(0.43)	3,242	(5.26)	14,962	5.10

Note:

- (1) Operational expenditures are based on the budgetary expenditures from the District's General and Special Revenue - Aidable funds, which are the only funds that generate FTE student enrollments.

Northcentral Technical College District

Program Graduate Follow-Up Statistics (1) (2)

Last Ten Fiscal Years

Year	Number of Graduates	Number of Follow-up Respondents	Number Available for Employment	Percent Employed	Percent Employed in Related Occupations	Percent Employed in District	Average Monthly Salary
2006-2007	1316	950	736	94%	77%	68%	\$2,565
2007-2008	1237	920	734	90%	78%	67%	2,708
2008-2009	1329	892	724	85%	76%	66%	2,875
2009-2010	1461	968	709	87%	70%	67%	2,813
2010-2011	1676	1113	889	89%	68%	64%	2,776
2011-2012	1562	1170	972	86%	69%	61%	2,667
2012-2013	1577	1211	963	86%	74%	67%	2,721
2013-2014	1548	1134	709	93%	79%	65%	2,895
2014-2015	1805	1288	671	93%	80%	67%	3,106
2015-2016	1557	1087	698	94%	82%	55%	3,129

Notes:

(1) Based on a survey of NTC graduates conducted approximately six months after graduation; therefore, 2016-2017 statistics are not available. Statistics include graduates of NTC's post-vocational/technical programs. This data does not reflect the activities of students who complete portions of their programs.

(2) Apprenticeship graduate data is excluded.

Northcentral Technical College District

Square Footage of District Facilities

Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
NTC - Wausau:										
Main building	330,370	330,370	326,370	323,745	322,305	322,305	322,305	307,723	307,723	307,723
Center for Geriatric Education	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600
Center for Business and Industry	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Center for Health Sciences	135,606	135,606	135,606	135,606	135,606	135,606	135,606	135,606	135,606	135,606
Sub-Total	485,576	485,576	481,576	478,951	477,511	477,511	477,511	462,929	462,929	462,929
NTC - Antigo Campus										
NTC - Phillips Campus	74,515	74,515	74,515	74,515	74,515	74,515	74,515	47,170	47,170	47,170
NTC - Spencer Campus	29,600	29,600	29,600	29,600	17,500	17,500	17,500	17,500	12,500	5,306
NTC - Merrill Campus	9,600	9,600	9,600	9,600	9,600	9,600	9,600	8,400		
NTC - Wittenberg Campus	27,176	19,136	19,136	19,136	19,136	17,552	13,846	9,488	9,488	9,488
Agriculture Center of Excellence	2,291	2,291	1,631							
Diesel Building	28,835	28,835	28,835	22,633	22,633	22,633				
Sub-Total	181,017	163,977	163,317	155,484	143,384	141,800	115,461	82,558	69,158	61,964
Other (leased):										
NTC - Medford Campus	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
NTC - Spencer Campus									7,500	7,500
NTC - Wittenberg Campus				9,600	9,600	9,600	9,600	9,600	9,600	9,600
Diesel Building		9,000	9,000							
Alternative High School Building	6,000	6,000	6,000							
Sub-Total	18,500	27,500	27,500	22,100	22,100	22,100	22,100	22,100	29,600	29,600
Total square footage	685,093	677,053	672,393	656,535	642,995	641,411	615,072	567,587	561,687	554,493

Source: NTC Office of Facilities Administrator.

Note: The District rents additional space in public school buildings and other facilities to provide instruction.

SINGLE AUDIT SECTION

YEARS ENDED 2017 & 2016

COMPREHENSIVE
ANNUAL FINANCIAL REPORT



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

District Board
Northcentral Technical College District
Wausau, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Northcentral Technical College District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Northcentral Technical College District's basic financial statements, and have issued our report thereon dated December 4, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northcentral Technical College District's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Northcentral Technical College District's 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 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northcentral Technical College District's financial statements are free from 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.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of Northcentral Technical College District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Northcentral Technical College District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

December 4, 2017
Rhineland, Wisconsin

Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance

District Board
Northcentral Technical College District
Wausau, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Northcentral Technical College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

Management is responsible for compliance with the Statutes, regulations, and terms and conditions of its grant awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the District's compliance.

Opinion

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program 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 over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



Wipfli LLP

December 4, 2017
Rhineland, Wisconsin

Northcentral Technical College District

Schedule of Findings and Questioned Costs Year Ended June 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?	No
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Identification of federal major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
17.282	Trade Adjustment Assistance Community College and Career Training
84.007	Student Financial Aid Cluster:
84.033	Supplemental Educational Opportunity Grants
84.063	Work Study Program
84.268	Pell Grant Program
	Direct Student Loans

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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Northcentral Technical College District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2017

Section I - Summary of Auditor's Results (Continued)

State Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency (ies) identified? No

Type of auditor's report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*?

No

Identification of major state programs:

State ID Number

Name of State Program

235.119

Technical Excellence Scholarship Grant

292.105

State Aids for Vocational, Technical, and Adult Education

292.162

Property Tax Relief Aid

Dollar threshold used to distinguish between Type A and Type B programs

\$250,000

Auditee qualified as low-risk auditee?

Yes

Section II - Financial Statement Findings

There were no findings required to be reported in accordance with *Government Auditing Standards*.

Section III - Federal and State Awards Findings and Questioned Costs

There were no findings required to be reported in accordance with the Uniform Guidance or *State Single Audit Guidelines*.

Section IV - Prior Year Findings and Questioned Costs

There were no findings in the prior year required to be reported in accordance with the Uniform Guidance or the *State Single Audit Guidelines*.

Northcentral Technical College District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2017

Section V - Other Issues

Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenues or excess reserves) related to grants/contracts with funding agencies that require audits to be in accordance with State Single Audit Guidelines:

Department of Health Services	No
Department of Workforce Development	No
Department of Natural Resources	No
Technical College System Board	No
Higher Education Aids Board	No
Department of Public Instruction	No
Department of Transportation	No
Department of Justice	No
Department of Revenue	No

Was a Management Letter or other document conveying audit comments issued as a result of this audit?

Yes

Name and signature of partner


Randall H. Beard, CPA

Date

December 4, 2017

Northcentral Technical College does not discriminate on the basis of race, color, national origin, sex, disability or age in employment, admissions or its programs or activities. The following person has been designated to handle inquiries regarding the College's nondiscrimination policies:
Equal Opportunity Officer, Northcentral Technical College, 1000 W. Campus Dr., Wausau, WI, 54401, phone 715.803.1057.