



2018

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**YEARS ENDED
JUNE 30, 2018 & 2017**

NORTHCENTRAL TECHNICAL COLLEGE | 1000 W. CAMPUS DRIVE, WAUSAU, WI 54401
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Northcentral Technical College District

Comprehensive Annual Financial Report

Years Ended June 30, 2018 and 2017

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INTRODUCTORY SECTION

YEARS ENDED 2018 & 2017

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

December 4, 2018

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, 2018, 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, 2018. 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 conformity 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), STEM Center, 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, NTC provides 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 2018, only four counties in the NTC District - Langlade, Lincoln, Menominee and Price are experiencing unemployment rates above the state rate. Menominee County is experiencing the highest rate in the state at 8.1 percent.

State Economy

As the need for skilled workers grows, especially in a climate of record low unemployment, there will continue to be a demand for the educational services provided by NTC. There is also an increased demand for flexible course and program offerings, as well as training and educational opportunities for incumbent workers, when unemployment is low and the existing student population is working while attending college. NTC 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 conformity 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, 2018. 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

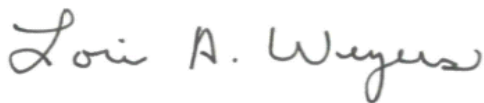
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northcentral Technical College for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the 22nd consecutive 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, MBA, JD, CPA
Vice President, Finance and
Chief Financial Officer

NORTHCENTRAL TECHNICAL COLLEGE DISTRICT

Wausau, Wisconsin COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Year Ended June 30, 2018

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; Cher Vink, 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, JD, 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

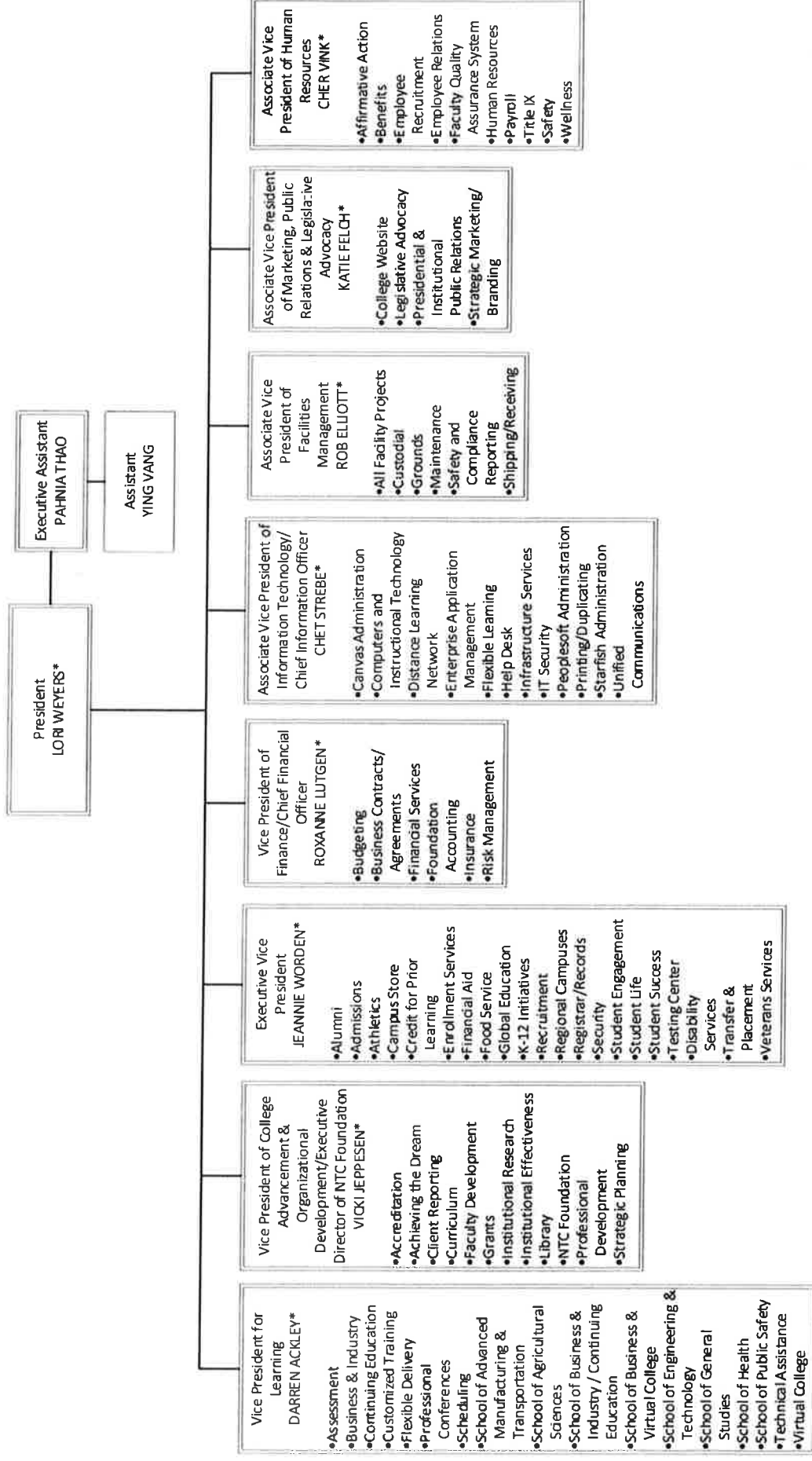
June 30, 2018

<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	6/30/19	Insurance Agent, Rural Mutual Insurance Company
Douglas Faragher	Employer Member	6/30/19	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	6/30/21	Superintendent, D.C. Everest Area School District
Ruth Risley-Gray	Employer Member	6/30/21	SVP System CNO, Aspirus
Dale Smith	Employee Member	6/30/21	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)
8/22/2018

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
EXCELLENCE
CENTER FOR
BUSINESS & INDUSTRY
CENTER FOR
GERIATRIC EDUCATION
CENTER FOR
HEALTH SCIENCES
1000 W. Campus Drive
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AGRICULTURE
CENTER OF EXCELLENCE
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Wittenberg

WITTENBERG,
SOUTHEAST CAMPUS
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Wittenberg, WI 54499
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information visit
www.ntc.edu



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**Northcentral Technical College District
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

YEARS ENDED 2018 & 2017
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, 2018 and 2017, 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, 2018 and 2017, 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 17 through 26, the schedule of changes in total other postemployment benefit (OPEB) liability and related ratios and the schedule of the employer's proportionate share of the net pension liability (asset), and employer contributions - Wisconsin Retirement System on pages 63 and 64 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 prepare 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 3, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.

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

Wipfli LLP

December 3, 2018
Rhineland, Wisconsin

Management's Discussion and Analysis

Northcentral Technical College District

Management's Discussion and Analysis

Year ended June 30, 2018

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, 2018 and 2017.

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 Managements Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Managements 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:

	2018	Increase or (Decrease) %	2017	Increase or (Decrease) %	2016
Operating revenues					
Student fees	\$ 5,480,708	2.2	\$ 5,362,048	(8.7)	\$ 5,872,637
Federal grants	7,627,080	(16.1)	9,096,043	(12.2)	10,358,425
State grants	4,656,697	2.4	4,545,926	(14.8)	5,336,002
Contract revenues	3,772,680	25.5	3,006,216	1.7	2,956,613
Auxiliary revenues	2,492,635	(6.6)	2,669,422	(12.2)	3,041,570
Miscellaneous	1,057,390	(28.2)	1,473,424	73.5	849,434
Total operating revenues	25,087,190	(4.1)	26,153,079	(8.0)	28,414,681
Nonoperating revenues:					
Property taxes	20,309,237	2.9	19,742,496	2.6	19,233,396
State appropriations	19,387,371	0.7	19,254,123	1.5	18,968,541
Investment income	290,732	129.3	126,786	43.4	88,442
Total nonoperating revenues	39,987,340	2.2	39,123,405	2.2	38,290,379
Total revenues	65,074,530	(0.3)	65,276,484	(2.1)	66,705,060
Operating expenses:					
Instruction	31,146,729	0.6	30,969,598	(0.8)	31,222,474
Instructional resources	2,264,889	24.3	1,822,605	(0.2)	1,826,568
Student services	4,008,962	(2.5)	4,113,066	(1.2)	4,164,310
General institutional	11,426,340	(8.8)	12,527,972	2.5	12,217,744
Physical plant	4,235,123	(4.0)	4,409,893	3.0	4,280,141
Auxiliary enterprise services	2,484,925	(17.9)	3,027,776	(12.8)	3,472,975
Depreciation	8,604,521	(28.5)	12,027,408	60.5	7,494,047
Student aid	1,678,198	4.5	1,606,644	(39.6)	2,659,220
Total operating expenses	65,849,687	(6.6)	70,504,962	4.7	67,337,479
Nonoperating expenses:					
Loss on disposal of capital assets	2,641	(99.7)	797,071	4,687.5	16,649
Interest expense	586,501	(2.7)	602,618	30.6	461,430
Total nonoperating expenses	589,142	(57.9)	1,399,689	192.8	478,079
Total expenses	66,438,829	(7.6)	71,904,651	6.0	67,815,558
Decrease in net position	(1,364,299)	(79.4)	(6,628,167)	496.9	(1,110,498)
Net position - Beginning of the year	51,671,084		58,299,251		65,177,655
Cumulative effect of accounting change*			-		(5,767,906)
Net position - End of year	\$ 50,306,785		\$ 51,671,084		\$ 58,299,251

*In 2016, the District adopted GASB 75 related to postemployment benefits.

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

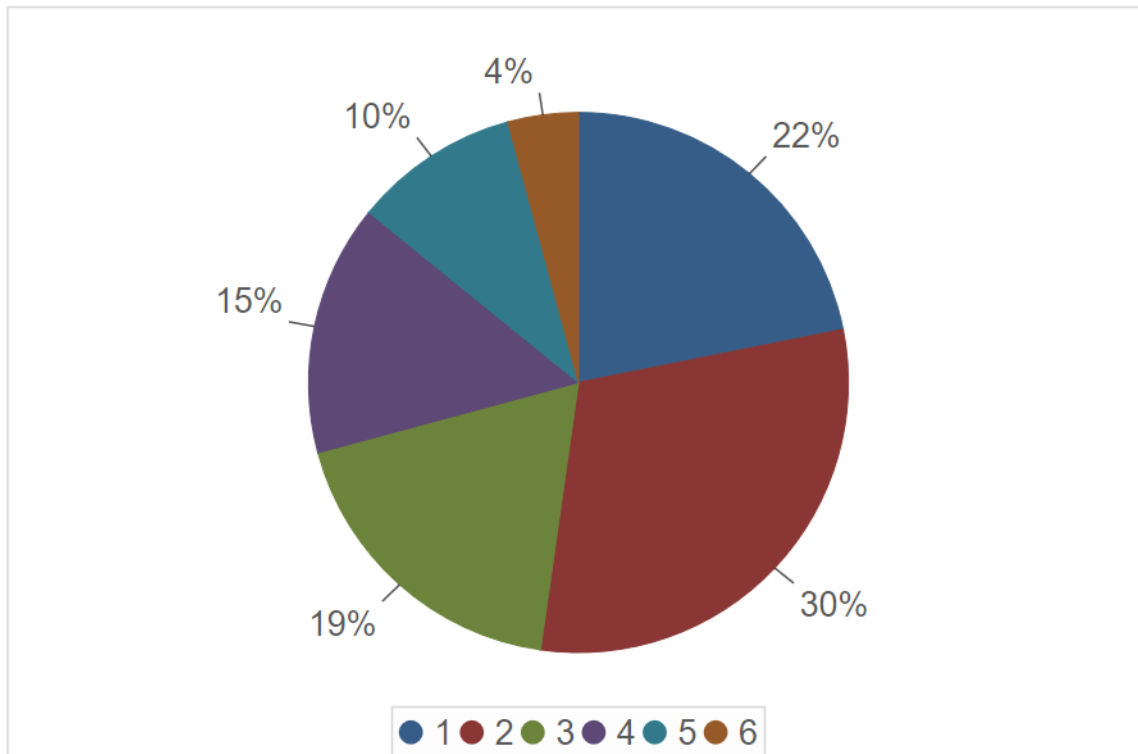
Some of the noteworthy results of operations for the current year are reflected below:

Operating revenues are the charges for services offered by the College. During 2018, the College generated \$25.1 million of operating revenues for the offering of services, down 4.1% from 2017 (\$26.2 million), which was down 8.0% from 2016 (\$28.4 million). Significant items and revenue sources are as follows:

- Student fees increased to \$5.5 million in fiscal year 2018, compared to \$5.4 million in 2017 and \$5.9 million in 2016. Total revenues from program, material, and other student fees were approximately \$10.9 million, down 3.3% before scholarship allowances.
- Nearly \$12.3 million in operating revenues from state and federal grants were earned by the District during the year, compared to \$13.6 million in 2017 and \$15.7 million in 2016. The fluctuation in federal revenue, a 16.1% decrease in 2018 was due to reductions in Federal grant funding, including Federal financial aid, primarily Pell grant and Stafford loan dollars, as well as the Department of Labor TAACCCT Round 3 INTERFACE Grant ending September 30, 2017. The 2.4% increase in state revenue in 2018 was due to an increase in Wisconsin Technical College System grants awarded, increased funding received for the Local Youth Apprenticeship Program, and increased WI Higher Education Grant and TIPS funding.
- Contract revenues of \$3.8 million for the year represent revenues from instructional and technical assistance contracts with businesses and industries as well as local school districts. The 25.5% 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 \$2.5 million this year, a decrease of 6.6% from the prior year. Reductions were due to a decline in campus store and campus cafe revenues, as well as a reduction in computers and instructional technology resale, and motor pool revenue.
- Miscellaneous revenue decreased 28.2% in 2018 to nearly \$1.1 million, which had increased 73.5% in the prior fiscal year. This revenue category includes donation revenue for both operations and capital projects, and accounts for the majority of the decrease in 2018.

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	\$ 5,480,708	22 %
2 - Federal grants	7,627,080	30 %
3 - State grants	4,656,697	19 %
4 - Contract revenues	3,772,680	15 %
5 - Auxiliary revenues	2,492,635	10 %
6 - Miscellaneous	1,057,390	4 %

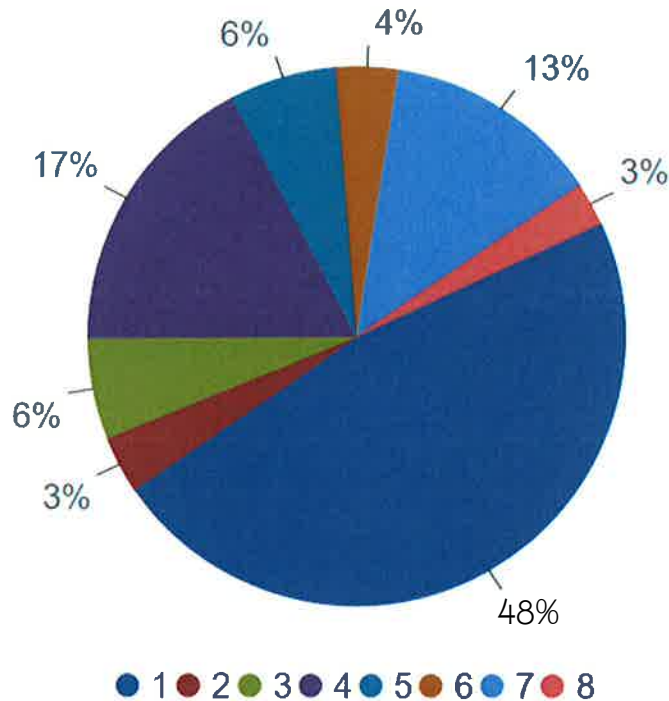
Operating expenses are costs related to offering the programs of the District. During 2018, operating expenses totaled over \$65.85 million, down from \$70.5 million in 2017. The majority of the District's expenses, about 61%, are for personnel related costs. Other major types of expenses include supplies and minor equipment (10%), contracted services (7%), depreciation (13%), and student aid (3%). Expenses such as travel, printing, advertising, repairs and maintenance, rentals, insurance, utilities, and other expenses account for the remaining 6% of total operating expenses. (See Note 13 to the Financial Statements for further details.)

- Salaries decreased \$300,031 or 1.03% in 2018 and decreased \$232,779 or 0.8% in 2017.
- Employee benefit expenses decreased \$376,269 or 3.2% in 2018 and decreased \$520,739 or 4.3% in 2017.
- NTC experienced decreased costs related to travel, memberships and subscriptions, postage, printing and advertising, repairs and maintenance, contracted services, rentals, and depreciation.

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

- NTC saw an increase in costs related to supplies and minor equipment, insurance, utilities, and student aid.
- Student financial aid awards (excluding student loans) increased 4.3% in 2018, due to an increase in Wisconsin Higher Education Grants awarded and increased State Talent Incentive Program (TIP) grant funding. Student financial aid awards (excluding student loans) decreased 39% in 2017, due to a decrease in grants available/awarded.

The graph below categorized operating expenses by function.



Expenses:	Amount	% of Total
1 - Instruction	\$ 31,146,729	48 %
2 - Instructional resources	2,264,889	3 %
3 - Student services	4,008,962	6 %
4 - General institutional	11,426,340	17 %
5 - Physical plant	4,235,123	6 %
6 - Auxiliary enterprise services	2,484,925	4 %
7 - Depreciation	8,604,521	13 %
8 - Student aid	1,678,198	3 %

Nonoperating revenues and expenses are items not directly related to providing instruction. Net nonoperating revenues for the year ended June 30, 2018, were approximately \$40 million. The most significant components of net nonoperating revenues include the following:

- Property taxes levied by the District for the year were approximately \$20.3 million, a 2.9% or \$566,741 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 2.6% 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 \$19.4 million in revenues in 2018, up from \$19.3 million in 2017, which had increased from \$19.0 million in 2016.
- Investment income was up 129.3% or \$163,946 during 2018. Investment income saw an increase of 43.4%, amounting to \$38,344 during 2017.
- Interest expense of \$586,501 was recorded by the District this year, down 2.7% from \$602,618 in 2017, which increased 30.6% from \$461,430 in 2016.
- Net position at June 30, 2018, was \$50,306,785 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, capital and related 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.

	2018	Increase or (Decrease) %	2017	Increase or (Decrease) %	2016
Cash used in operating activities	\$ (30,798,969)	2.5	\$ (30,042,844)	(2.0)	\$ (30,652,176)
Cash provided by noncapital financing activities	39,658,203	1.6	39,021,710	2.5	38,078,037
Cash used in capital and related financing activities	(7,913,214)	(21.2)	(10,044,659)	325.5	(2,360,618)
Cash provided by (used in) investing activities	290,732	129.3	126,786	43.4	88,442
Net increase (decrease) in cash and cash equivalents	<u>\$ 1,236,752</u>		<u>\$ (939,007)</u>		<u>\$ 5,153,685</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 \$27.0 million was paid in 2018, as compared to \$33.7 million in 2017, and \$30.0 million in 2016.
- Another significant component of operating cash flows is payments to employees. The District paid \$29.6 million in salaries/wages and benefits in 2018 (\$22.9 in 2017 and \$29.5 million in 2016).
- The largest cash inflows from operating activities included over \$5.6 million in student fees and \$12.9 million in state and federal grants, as compared to \$5.3 million and \$14.0 million, respectively in 2017, and \$5.7 million and \$16.1 million, respectively in 2016.

Statement of Cash Flows (Continued)

- All property taxes received, almost \$20.3 million this year, are categorized as cash flows from noncapital financing activities (\$19.8 million in 2017 and \$19.1 million in 2016). The other major item in this category is state appropriations, which accounted for \$19.4 million of positive cash flow (\$19.3 million in 2017 and \$19.0 million in 2016).
- The cash used in capital and related financing activities is primarily for purchases of capital assets and capital related debt activity (debt proceeds and principal and interest payments).
- Investment income is interest received on the District's investments.
- Overall, the District's cash increased \$1,236,752 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:

	2018	Increase or (Decrease) %	2017	Increase or (Decrease) %	2016
Assets					
Cash and cash equivalents	\$ 39,240,884	3.3	\$ 38,004,132	(2.4)	\$ 38,943,139
Net capital assets	56,268,446	(0.1)	56,342,952	(6.0)	59,961,950
Other assets	14,063,930	49.8	9,390,625	(4.2)	9,803,198
Total assets	109,573,260	5.6	103,737,709	(4.6)	108,708,287
Deferred outflows of resources	9,896,486	(14.8)	11,619,983	(28.2)	16,175,049
Liabilities:					
Other liabilities	5,215,325	14.6	4,550,757	0.3	4,538,385
Noncurrent liabilities	53,142,747	(2.4)	54,447,932	(2.5)	55,821,113
Total liabilities	58,358,072	(1.1)	58,998,689	(2.3)	60,359,498
Deferred inflows of resources	10,804,889	130.5	4,687,919	(24.7)	6,224,587
Net position:					
Net investment in capital assets	24,122,258	(1.5)	24,480,899	(14.1)	28,497,678
Restricted - Debt service	8,317,949	(11.4)	9,388,527	(15.1)	11,063,982
Unrestricted	17,866,578	0.4	17,801,658	(5.0)	18,737,591
Total net position	\$ 50,306,785	(2.6)	\$ 51,671,084	(11.4)	\$ 58,299,251

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, 2018, was approximately \$121.7 million and \$65.4 million, respectively. Capital assets at June 30, 2017, were \$116.5 million, with \$60.2 million accumulated depreciation and capital assets at June 30, 2016, were \$111.4 million, with accumulated depreciation of \$51.5 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 2017 and \$5.6 million in 2016).
- Other liabilities include accounts payable and various types of accruals.
- Noncurrent liabilities represent the total long-term obligations of the District outstanding at year-end.

Capital Assets and Debt Administration

The District's investment in capital assets as of June 30, 2018, amounts to \$56,268,446 (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 2017-2018. General maintenance projects totaled approximately \$168,000 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 Courtyard Enhancements, \$322,458; Courtyard Lighted Walking Path with Security Cameras, \$34,132; Timberwolf Suites Access Road, \$188,836; Main Road Sealing, Restriping, \$15,690; LED Roadway Lighting Upgrade, \$27,456; Flag Pole Circle, \$24,623; Trash Compactor, \$39,617; and Building A & B Main Corridor Carpet Replacement, \$29,916.

Other remodeling projects completed on the Wausau campus included the STEM Center Renovation, \$659,090; Diesel Building Purchase & Renovation, \$656,128; Bathroom Remodels-Buildings F, H, and CHS, \$272,938; H Building Roof Replacement, \$370,471; Virtual College Renovation, \$31,433; Geriatric 2nd Floor Renovation, \$27,469; and Marketing Renovation, \$17,604. The Website Development Project was substantially complete at \$360,000.

Projects completed at regional campuses include the Agricultural Center Manure Tank Expansion, \$200,812; Merrill Campus Commercial Driver's License (CDL) Site Development, \$188,315; Merrill Tactical Safety Range, \$1,505,158; Spencer Campus Nursing Classroom Remodel, \$55,029; Wittenberg Campus Improvements, \$18,664; and Agricultural Center Land Purchase, \$17,230.

Overall, the District spent approximately \$300,000 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 spent approximately \$62,000 on cameras and other security-related equipment, approximately \$2,600,000 on hardware, software, servers, data cabling, consulting, and other IT-related items, and nearly \$600,000 on additional High Definition (HD) Videoconferencing and Smart Classrooms throughout the College. Also, the College spent approximately \$800,000 on general instructional-related equipment and \$250,000 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 Wausau CHS Auditorium Remodel; Parking Improvements of the A-Handicap and Center for Business and Industry Lots; Building E Roof Replacement; Agricultural Center Science Classroom Remodel; Agricultural Center Additions, Barn & Classroom; Agricultural Campus Projects, which include an electrical service upgrade, generator, and barn fans; Merrill CDL Training Building; Site Prep/Access Road for Merrill Lineman/Electrical Power Distribution; and Merrill Candidate Physical Ability Test (CPAT) Building Addition. Other projects in progress at the end of the year are Smart Classroom and Interactive Video Classroom (IVC) Installations, as well as furniture for various projects. Instructional items in progress at fiscal year-end include the Vector Feeding System and Expandable Classroom Trailer. Construction in Progress at fiscal year-end totaled approximately \$3,261,000. 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 2018 fiscal year, the District had total general obligation debt outstanding of \$46,220,000. NTC's 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 District. The current debt adequately replaces and expands the equipment and facility needs of the District. 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 April 2018. 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 College 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 2018 was 3.0 percent, lower than the national unemployment rate by 1.9%.

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 8.1 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, 2018 and 2017

<i>Assets and Deferred Outflows of Resources</i>	2018	2017
Current assets:		
Cash and cash equivalents	\$ 39,240,884	\$ 38,004,132
Property taxes receivable	5,646,092	5,607,687
Accounts and other receivables - Net	2,695,353	3,204,491
Inventories	376,100	394,811
Prepaid expenses	71,043	183,636
Total current assets	48,029,472	47,394,757
Noncurrent assets:		
Net pension asset	5,275,342	
Capital assets not being depreciated	4,374,072	3,387,532
Capital assets being depreciated	117,317,799	113,137,607
Less - Accumulated depreciation	(65,423,425)	(60,182,187)
Total noncurrent assets	61,543,788	56,342,952
Total assets	109,573,260	103,737,709
Deferred outflows of resources:		
Related to other postemployment benefits	1,266,454	1,257,400
Related to pensions	8,630,032	10,362,583
Total deferred outflows of resources	9,896,486	11,619,983
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 119,469,746	\$ 115,357,692
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>		
Current liabilities:		
Accounts payable	\$ 2,582,077	\$ 2,286,162
Accrued liabilities:		
Payroll, payroll taxes, and insurance	1,100,365	1,005,560
Interest	321,466	238,980
Due to student and other organizations	645,778	445,755
Unearned revenue	565,639	574,300
Current portion of long-term obligations	8,829,597	10,519,625
Total current liabilities	14,044,922	15,070,382
Noncurrent liabilities:		
Notes payable	38,485,436	35,763,242
Compensated absences	16,517	20,957
Other postemployment benefit liability	5,811,197	6,663,366
Net pension liability		1,480,742
Total noncurrent liabilities	44,313,150	43,928,307
Total liabilities	58,358,072	58,998,689
Deferred inflows of resources:		
Related to other postemployment benefits	400,023	
Related to pensions	10,404,866	4,687,919
Total deferred inflows of resources	10,804,889	4,687,919
Net position:		
Net investment in capital assets	24,122,258	24,480,899
Restricted - Debt service	8,317,949	9,388,527
Unrestricted	17,866,578	17,801,658
Total net position	50,306,785	51,671,084
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 119,469,746	\$ 115,357,692

See accompanying notes to financial statements.

Northcentral Technical College District

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2018 and 2017

	2018	2017
Operating revenues:		
Student program fees, net of scholarship allowances of \$4,767,572 and \$5,199,180, respectively	\$ 4,702,937	\$ 4,684,795
Student material fees, net of scholarship allowances of \$234,803 and \$243,730, respectively	346,263	331,100
Other student fees, net of scholarship allowances of \$410,948 and \$452,206, respectively	431,508	346,153
Federal grants	7,627,080	9,096,043
State grants	4,656,697	4,545,926
Business and industry contract revenues	3,029,511	2,313,036
School district contract revenues	743,169	693,180
Auxiliary enterprise revenues	2,492,635	2,669,422
Miscellaneous	1,057,390	1,473,424
Total operating revenues	25,087,190	26,153,079
Operating expenses:		
Instruction	31,146,729	30,969,598
Instructional resources	2,264,889	1,822,605
Student services	4,008,962	4,113,066
General institutional	11,426,340	12,527,972
Physical plant	4,235,123	4,409,893
Auxiliary enterprise services	2,484,925	3,027,776
Depreciation	8,604,521	12,027,408
Student aid	1,678,198	1,606,644
Total operating expenses	65,849,687	70,504,962
Operating loss	(40,762,497)	(44,351,883)
Non-operating revenues (expenses):		
Property taxes	20,309,237	19,742,496
State operating appropriations	19,387,371	19,254,123
Loss on disposal of capital assets	(2,641)	(797,071)
Investment income	290,732	126,786
Interest expense	(586,501)	(602,618)
Net non-operating revenues (expenses)	39,398,198	37,723,716
Change in net position	(1,364,299)	(6,628,167)
Net position at beginning of year	51,671,084	58,299,251
Net position at end of year	\$ 50,306,785	\$ 51,671,084

See accompanying notes to financial statements.

Northcentral Technical College District

Statements of Cash Flows

Years Ended June 30, 2018 and 2017

	2018	2017
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Tuition and fees received	\$ 5,557,294	\$ 5,284,366
Federal and state grants received	12,926,386	13,956,564
Business, industry, and school district contract revenues received	3,578,887	3,124,631
Payments to employees	(29,590,352)	(22,932,170)
Payments to suppliers	(26,996,305)	(33,741,900)
Auxiliary enterprise revenues received	2,467,708	2,700,872
Other receipts	1,257,413	1,564,793
Net cash used in operating activities	(30,798,969)	(30,042,844)
Cash flows for noncapital financing activities:		
Local property taxes received	20,270,832	19,767,587
State appropriations received	19,387,371	19,254,123
Net cash provided by noncapital financing activities	39,658,203	39,021,710
Cash flows from capital and related financing activities:		
Purchases of capital assets	(8,490,394)	(9,486,507)
Proceeds from sale of capital assets	44,001	31,998
Proceeds from issuance of capital debt	11,868,309	11,072,641
Debt issuance costs paid	(48,451)	(52,203)
Principal paid on capital debt	(10,505,000)	(10,925,000)
Interest paid on capital debt	(781,679)	(685,588)
Net cash used in capital and related financing activities	(7,913,214)	(10,044,659)
Cash flows from investing activities - Investment income received	290,732	126,786
Net increase (decrease) in cash and cash equivalents	1,236,752	(939,007)
Cash and cash equivalents at beginning of year	38,004,132	38,943,139
Cash and cash equivalents at end of year	\$ 39,240,884	\$ 38,004,132

Northcentral Technical College District

Statements of Cash Flows (Continued)

Years Ended June 30, 2018 and 2017

	2018	2017
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (40,762,497)	\$ (44,351,883)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	8,604,521	12,027,408
Changes in operating assets and liabilities:		
Accounts and other receivables	509,137	437,618
Inventories	18,711	(15,696)
Prepaid items	112,593	(34,440)
Accounts payable	209,655	117,002
Accrued expenses	85,336	77,810
Due to student and other organizations	200,023	91,369
Unearned revenue	(8,662)	(50,841)
Net pension changes (including deferred outflows and inflows)	693,414	2,070,362
Postemployment benefit changes (including deferred outflows and inflows)	(461,200)	(411,553)
Net cash used in operating activities	\$ (30,798,969)	\$ (30,042,844)
Noncash investing, capital, and financing activities:		
Purchase of capital assets in accounts payable	\$ 1,062,394	\$ 976,133

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 the accompanying financial statements in conformity 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, Cash Equivalents, 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 value, except for the local government investment pool, which is reported at amortized cost. 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 resale 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 as there are no material amounts on hand at year-end. 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 recorded 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 acquisition 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. There were no impairment losses recorded in the years ended June 30, 2018 and 2017.

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.

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.

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 (Continued)

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. Employees hired after July 1, 2012 or later are not eligible for sick leave payout upon retirement. Facilities support staff with 15 years of service with a hire date prior to July 1, 2012, that retire at age 60 receive 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.

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

Postemployment Benefits Other Than Pension Benefits - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the District OPEB plan, and additions to/deductions from District fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit term. Investments are reported at fair value.

Restricted Assets

Restricted assets are cash, cash equivalents, investments, and the net pension asset whose use is limited by legal requirements such as a bond indenture or investment in an irrevocable trust.

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. Unspent portions of capital-related debt proceeds are not included in this category. 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. Unrestricted net position consists of the remaining amounts that do not meet the definition of the two preceding categories.

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

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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, 2018 and 2017, the District levied at the following mill rate:

	2018	2017
Operating purposes	\$ 0.64225	\$ 0.63925
Debt service requirements	0.62620	0.62620
Totals	\$ 1.26845	\$ 1.26545

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 unearned 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

Financial aid to students is reported in the basic financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). 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, which reduce revenue. 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. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total District basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.

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 statements 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 (asset). The District also reports deferred outflows of resources related to its other postemployment benefit (OPEB) plan including the District's contributions to OPEB subsequent to the measurement date of the total 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 statements 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. The District also reports deferred inflows of resources related to OPEB for changes in assumptions or other inputs.

Subsequent Events

Subsequent events have been evaluated through December 3, 2018, 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:

	2018	2017
Cash on deposit with financial institutions	\$ 10,634,985	\$ 21,083,595
Wisconsin Local Government Investment Pool	28,596,857	16,911,048
Cash on hand	9,042	9,489
Total cash and cash equivalents	\$ 39,240,884	\$ 38,004,132

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, 2018, \$9,770,707 of the District's bank balance of \$10,743,718 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, 2018 and 2017, the District had no investments in any one issuer (excluding U.S. Treasury securities, money market funds, and the 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:

	2018	2017
Federal and state grants	\$ 1,279,870	\$ 1,922,479
Student tuition and fees	2,001,706	2,166,456
Business and industry contracts	160,206	98,656
Bookstore sales	89,645	64,718
Health claim stop-loss	181,588	19,815
Other	122,379	151,911
Allowance for uncollectible amounts	(1,140,041)	(1,219,544)
Total	\$ 2,695,353	\$ 3,204,491

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:

	2018			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,095,690	\$ 17,230	\$ 0	\$ 1,112,920
Construction in progress	2,291,842	8,551,109	7,581,799	3,261,152
Total capital assets not being depreciated	3,387,532	8,568,339	7,581,799	4,374,072
Capital assets being depreciated:				
Site improvements	9,604,834	1,442,327	482,684	10,564,477
Buildings and building improvements	60,736,116	3,243,513		63,979,629
Furniture and equipment	39,606,114	2,904,274	1,774,333	40,736,055
Computer software	3,190,543		1,152,905	2,037,638
Total capital assets being depreciated	113,137,607	7,590,114	3,409,922	117,317,799
Less accumulated depreciation for:				
Site improvements	4,502,654	672,653	471,351	4,703,956
Buildings and building improvements	24,551,872	3,183,512		27,735,384
Furniture and equipment	28,878,328	4,225,538	1,739,027	31,364,839
Computer software	2,249,333	522,818	1,152,905	1,619,246
Total accumulated depreciation	60,182,187	8,604,521	3,363,283	65,423,425
Net capital assets	56,342,952	\$ 7,553,932	\$ 7,628,438	56,268,446
Less outstanding debt related to capital assets, including premium	(46,268,242)			(47,305,436)
Plus capital projects funds borrowed but not spent	14,406,189			15,159,248
Net investment in capital assets	\$ 24,480,899			\$ 24,122,258

Northcentral Technical College District

Notes to Financial Statements

Note 4: Capital Assets (Continued)

	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 investment in capital assets	\$ 28,497,678			\$ 24,480,899

Northcentral Technical College District

Notes to Financial Statements

Note 5: Long-Term Obligations

Long-term liability activity for the years ended June 30, 2018 and 2017, was as follows:

	Balance 7/1/2017	Additions	Reductions	Balance 6/30/2018	Amounts Due Within One Year
General obligation notes	\$ 45,225,000	\$ 11,500,000	\$ 10,505,000	\$ 46,220,000	\$ 8,820,000
Premium on general obligation notes	1,043,242	368,309	326,115	1,085,436	
Compensated absences	35,582	26,114	35,582	26,114	9,597
Totals	\$ 46,303,824	\$ 11,894,423	\$ 10,866,697	\$ 47,331,550	\$ 8,829,597

	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
Premium on general obligation notes	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

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, 2018 and 2017, is comprised of the following individual issues:

	2018	2017
June 11, 2012 general obligation promissory note (1)	\$ 0	\$ 1,675,000
June 11, 2013 general obligation promissory note (2)	7,070,000	8,325,000
June 2, 2014 general obligation promissory note (3)	4,085,000	6,040,000
June 15, 2015 general obligation promissory note (4)	5,595,000	7,460,000
May 2, 2016 general obligation promissory note (5)	7,770,000	8,600,000
June 15, 2016 general obligation promissory note (6)	1,115,000	1,235,000
June 30, 2016 general obligation promissory note (7)	1,055,000	1,190,000
June 1, 2017 general obligation promissory note (8)	8,030,000	10,700,000
June 1, 2018 general obligation promissory note (9)	11,500,000	
Total general obligation debt	\$ 46,220,000	\$ 45,225,000

Northcentral Technical College District

Notes to Financial Statements

Note 5: Long-Term Obligations (Continued)

General Obligation Debt (Continued)

- (1) 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.
- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) 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.
- (8) 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.
- (9) Promissory note issued by Citigroup Global Markets, Inc., for the construction of building additions on the Merrill Campus, remodeling and improvement projects, building and site maintenance and repair, equipment acquisition, installation and related costs, with interest at 3% to 4%. Principal due annually on March 1, beginning with March 1, 2019, with final maturity March 1, 2028.

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, 2018, was \$843,550,411 and the District's outstanding general obligation debt of \$46,220,000, net of resources available of \$8,317,949 to pay principal, was \$37,902,051. 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.

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 \$337,420,164 and \$326,994,433 at June 30, 2018 and 2017, respectively. The District had no outstanding bonded indebtedness as of June 30, 2018 and 2017.

Aggregate cash flow requirements for the retirement of long-term principal and interest on general obligation debt as of June 30, 2018, follows:

Year Ended June 30,	Principal	Interest	Totals
2019	\$ 8,820,000	\$ 993,683	\$ 9,813,683
2020	8,195,000	875,756	9,070,756
2021	6,265,000	716,213	6,981,213
2022	4,570,000	588,681	5,158,681
2023	4,735,000	476,225	5,211,225
2024-2028	13,635,000	970,056	14,605,056
Total general obligation debt	\$ 46,220,000	\$ 4,620,614	\$ 50,840,614

Northcentral Technical College District

Notes to Financial Statements

Note 6: Leases, as Lessee

The District leases one building and the agreement expires in fiscal year 2020 and it is classified as an operating lease.

Future minimum payments, by year and in the aggregate, under the noncancelable operating lease consisted of the following:

2019	\$	155,875
2020		77,937
Total minimum lease payments		\$ 233,812

Rental expense for all operating leases for the years ended June 30, 2018 and 2017, were \$155,875 and \$256,531, 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 service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

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
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)%
2017	2.0 %	4.0 %

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the 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 \$1,739,189 in contributions from the employer.

The District only has employees in the general category which had the following contribution rates as of June 30, 2018 and 2017:

Employee Category	2018		2017	
	Employee	Employer	Employee	Employer
General (including teachers, executives, and elected officials)	6.70 %	6.70 %	6.80 %	6.80 %

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2018 and 2017, the District reported a liability (asset) of \$(5,275,342) and \$1,480,742, respectively, for its proportionate share of the net pension liability (asset). The net pension liability (asset) 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 liability (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 (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017 and 2016, the District's proportion was 0.17767368% and 0.17964961%, which was a decrease of 0.00197593% and a decrease of 0.00123299% from its proportion measured in the respective prior year.

For the years ended June 30, 2018 and 2017, the District recognized pension expense of \$2,432,603 and \$3,813,857.

At June 30, 2018 and 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018		2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,702,454	\$ 3,135,185	\$ 564,607	\$ 4,656,805
Net differences between projected and actual earnings on pension plan investments		7,250,469	7,370,663	
Changes in assumptions	1,042,305		1,548,173	
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,679	19,212	14,713	31,114
Employer contributions subsequent to the measurement date	869,594		864,427	
Total	\$ 8,630,032	\$ 10,404,866	\$ 10,362,583	\$ 4,687,919

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) - \$869,594 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Increase (Decrease) in Pension Expense
2019	\$ 563,580
2020	(48,457)
2021	(1,804,804)
2022	(1,367,412)
2023	12,665

Actuarial Assumptions - The total pension liability in the actuarial valuations used for the years ended June 30, 2018 and 2017, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2018	2017
Actuarial Valuation Date	December 31, 2016	December 31, 2015
Measurement Date of Net Pension Liability (Asset)	December 31, 2017	December 31, 2016
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 for the 2016 and 2015 valuations were based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability (asset) for December 31, 2017 and 2016, is based upon a roll-forward of the liability calculated from the December 31, 2016 and 2015, actuarial valuations.

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	As of December 31, 2017		
	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund</u>			
Global equities	50.0 %	8.2 %	5.3 %
Fixed income	24.5 %	4.2 %	1.4 %
Inflation sensitive assets	15.5 %	3.8 %	1.0 %
Real estate	8.0 %	6.5 %	3.6 %
Private equity/debt	8.0 %	9.4 %	6.5 %
Multi-asset	4.0 %	6.5 %	3.6 %
Total core fund	110.0 %	7.3 %	4.4 %
<u>Variable Fund</u>			
U.S. equities	70.0 %	7.5 %	4.6 %
International equities	30.0 %	7.8 %	4.9 %
Total variable fund	100.0 %	7.9 %	5.0 %

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

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

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, 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</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%

Asset 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%. 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 of 7.20%, 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 (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	2018		2017	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to the rate	6.2%	\$ 13,649,111	6.2%	\$ 19,480,107
Current discount rate	7.2%	(5,275,342)	7.2%	1,480,742
1% increase to the rate	8.2%	(19,658,513)	8.2%	(12,379,585)

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, 2018 and 2017, the District reported a payable of \$127,114 and \$136,085 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.
- 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.

Northcentral Technical College District

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Benefits Provided (Continued)

- 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%.
- 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.

Northcentral Technical College District

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Benefits Provided (Continued)

Employees Covered by the Benefit Terms - At June 30, 2017, the measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	32
Inactive employees entitled to, but not receiving, benefit payments	173
Active employees	336
<hr/>	
Total	541

For eligible retiring full-time employees hired prior to July 1, 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, 2018 was \$5,811,197, was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date. 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 actuarial valuation at that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry Age Normal
Discount rate	3.50 %
Healthcare cost trend rate	1.7% in year 1, followed by 7.0% decreasing by .50% down to 6.50%, then by 0.10% per year down to 5.0%, and level thereafter

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 0.1% per year down to 5%, and level thereafter

The discount rate is based on the Bond Buyer Go 20-Year AA Bond Index published by the Federal Reserve as of the week of 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, 2018 and 2017, were as follows:

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)
Balance at July 1, 2017		6,663,366
Service cost		151,134
Interest		189,566
Differences between expected and actual experience		113,957
Changes of assumptions or other input		(466,694)
Benefit payments		(840,132)
Balance at June 30, 2018	\$	5,811,197

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate - The following presents the District's total 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:

	2018		2017	
	Discount Rate	Total OPEB Liability	Discount Rate	Total OPEB Liability
1% decrease to the rate	2.5 %	\$6,528,658	2.00 %	\$7,437,759
Current discount rate	3.5 %	\$5,811,197	3.00 %	\$6,663,366
1% increase to the rate	4.5 %	\$5,214,581	4.00 %	\$6,027,855

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the District's total OPEB liability calculated using the healthcare cost trend rate of 1.7% increasing to 5.0%, as well as what the District's total OPEB liability would be if it were calculated using the healthcare cost trend rate that is 1-percentage-point lower (0.7% in year 1, then 6.0% decreasing to 4.0%) or 1-percentage-point higher (2.7% in year 1, then 8.0% decreasing to 6.0%) than the current rate:

	2018		2017	
	Healthcare Cost Trend Rate	Total OPEB Liability	Healthcare Cost Trend Rate	Total OPEB Liability
1% decrease to the rate	0.7% in year 1, then 6.0% decreasing to 4.0%	\$5,545,167	6.5% decreasing to 4.0%	\$6,438,415
Current discount rate	1.7% in year 1, then 7.0% decreasing to 5.0%	\$5,811,197	7.5% decreasing to 5.0%	\$6,663,366
1% increase to the rate	2.7% in year 1, then 8.0% decreasing to 6.0%	\$6,125,904	8.5% decreasing to 6.0%	\$6,923,814

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, 2018 and 2017, the District recognized OPEB expense of \$461,200 and \$411,553, respectively. At June 30, 2018 and 2017, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2018		2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 97,677	\$ 0	\$ 0	\$ 0
Changes in assumptions or other inputs	347,723	400,023	417,268	0
Employer contributions subsequent to the measurement date	821,054		840,132	
Total	\$ 1,266,454	\$ 400,023	\$ 1,257,400	\$ 0

\$821,054 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 total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ended June 30	Net Increase (Decrease) in OPEB Expense
2019	\$ 19,154
2020	19,154
2021	19,154
2022	19,154
2023	19,152
Thereafter	(50,391)

Note 9: Risk Management

Districts Mutual Insurance Company (DMI)

In July 2004, all 16 WTCS technical colleges created the Districts Mutual Insurance Company (DMI). DMI 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 2018 and 2017. For the years ended June 30, 2018 and 2017, the District paid premiums of \$387,727 and \$306,360, 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; \$750,000 coverage for theft, robbery, burglary, disappearance and destruction of money and securities; \$25,000 coverage for investigation expenses; \$2,500 deductible for investigation, and \$10,000 deductible for employee dishonesty, forgery, and fraud.

The Trust financial statements can be obtained through Lakeshore Technical College District, 1290 North Avenue, Cleveland, WI 53015.

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 2018.

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 \$190,000 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, 2018 and 2017, the amounts of these liabilities were \$645,805 and \$314,364, 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
2015-16	\$ 784,860	\$ 5,414,241	\$ 5,866,529	\$ 332,572
2016-17	\$ 332,572	\$ 4,137,734	\$ 4,155,942	\$ 314,364
2017-18	\$ 314,364	\$ 6,435,747	\$ 6,104,306	\$ 645,805

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, 2018. The construction projects in progress are the Wausau CHS Auditorium Remodel, Parking Improvements of the A-Handicap, and CBI Lots, Building E Roof Replacement, AG Center Science Classroom Remodel, AG Center Addition, Barn and Classroom, AG Campus Projects which includes an electrical service upgrade, generator, and barn fans, Merrill CDL Training Building, Site Prep/Access Road for Merrill Lineman/Electrical Power Distribution, Merrill CPAT Building Addition, as well as some smaller remodeling projects, and furniture for various projects. Also, orders were placed for smart classroom equipment and installation, as well as instructional equipment needed for the start of the fall semester. These orders were initially placed prior to June 30, 2018, 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 Wausau TLC Library Remodeling, Merrill CDL paving project, 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 6/30/2018	Remaining Commitment
Custom Double Expandable Classroom Trailer	\$ 265,105	\$ 265,105
FANUC Robotic Arm		91,816
CHS Auditorium Remodel	332,052	772,878
Parking Improvements - A Handicap and CBI Lots	23,210	228,126
Building E Roof Replacement	7,021	304,175
AG Center Science Classroom Remodel	77,091	183,666
AG Center Additions Barn and Classroom	1,068,477	100,712
AG Campus Projects - Electrical Service Upgrade, Generator, Barn Fans	213,148	52,468
Merrill Lineman Site Prep/Access Road (Merrill CDL Paving)	3,400	263,268
Merrill CDL Training Building	709,205	81,844
Smart Classrooms and IVC Classrooms for Various Projects	95,078	127,866
Furniture for Various Projects	3,275	350,032

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

The District has a non-cancelable telecommunication service agreement for network services. Payments are monthly and the final contract's term will end in December 2020. Total expenses for the year ended June 30, 2018, were \$53,100. As of June 30, 2018, the District was committed to make future payments of \$106,000.

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:

	2018		2017	
	Total WISPALS	NTC's Share	Total WISPALS	NTC's Share
Total assets	\$ 34,964	\$ 3,179	\$ 114,671	\$ 10,425
Ending fund balance	34,964	3,179	114,671	10,425
Total revenues	462,299	42,027	684,012	62,183
Total expenses	542,006	49,273	499,554	45,414

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:

	2018	2017
Salaries and wages	\$ 28,936,113	\$ 29,236,144
Employee benefits	11,259,034	11,635,303
Travel, memberships, and subscriptions	997,449	1,133,640
Supplies and minor equipment	6,502,117	5,949,445
Postage, printing, and advertising	875,310	894,808
Repairs and maintenance	589,467	670,527
Contracted services	4,604,859	5,365,996
Rentals	280,306	364,909
Insurance	432,701	390,404
Utilities	955,589	924,666
Depreciation	8,604,521	12,027,408
Other	172,966	338,566
Student aid	1,639,255	1,573,146
Total operating expenses	\$ 65,849,687	\$ 70,504,962

Northcentral Technical College District

Notes to Financial Statements

Note 14: Subsequent Events

On September 12, 2018 the District signed a contract in the amount of \$514,633 for the Merrill CPAT addition.

On October 30, 2018 the District signed a contract in the amount of \$225,797 for Cloudian file and object storage.

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)*

	2018	2017	2016
Measurement date	6/30/2017	6/30/2016	6/30/2015
Total OPEB Liability			
Service cost	\$ 151,134	\$ 124,538	\$ 124,538
Interest	189,566	234,496	244,389
Differences between expected and actual experience	113,957		
Changes of assumptions or other input	(466,694)	486,813	
Benefit payments	(840,132)	(746,871)	(518,596)
Net change in total OPEB liability	(852,169)	98,976	(149,669)
Total OPEB liability at beginning	6,663,366	6,564,390	6,714,059
Total OPEB liability at end	\$ 5,811,197	\$ 6,663,366	\$ 6,564,390
District's covered payroll	\$ 24,481,301	\$ 16,353,932	\$ 16,353,932
Total OPEB liability as a percentage of covered payroll	23.74 %	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 as the District first implemented GASB No. 75 in fiscal year 2016.

Notes to Schedule

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

Changes of assumptions: In 2018, the discount rate was changed to 3.5% to be reflective of the 20-year AA municipal bond rates.

See Independent Auditor's Report.

Northcentral Technical College District

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

Last Ten Fiscal Years (When Available)

	2018	2017	2016	2015
Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset)				
Measurement date	12/31/2017	12/31/2016	12/31/2015	12/31/2014
District's proportion of the net pension liability (asset)	0.17767368 %	0.17964961 %	0.18088260 %	0.18071590 %
District's proportionate share of the net pension liability (asset)	\$ (5,275,342)	\$ 1,480,742	\$ 2,939,307	\$ (4,438,877)
District's covered payroll during the measurement period	26,060,478	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 payroll	(20.24)%	5.76 %	11.50 %	(17.50)%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.93 %	99.12 %	98.20 %	102.74 %
Schedule of Employer Contributions				
Contractually required contribution for the fiscal period	\$ 1,751,085	\$ 1,743,835	\$ 1,720,607	\$ 1,765,923
Contributions in relation to the contractually required contribution	(1,751,085)	(1,743,835)	(1,720,607)	(1,765,923)
Contribution deficiency	\$ 0	\$ 0	\$ 0	\$ 0
District's covered payroll for the fiscal period	\$ 25,942,119	\$ 26,024,846	\$ 25,678,283	\$ 25,588,765
Contributions as a percentage of covered payroll	6.75 %	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, 2018

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$ 8,665,544	\$ 8,989,481	\$ 8,989,481	\$ 0	\$ 8,989,481	\$ 0
State revenues	19,156,483	19,438,280	19,438,280		19,438,280	
Federal revenues		9,235	9,235		9,235	
Statutory program fees	9,597,000	9,304,321	9,304,321		9,304,321	
Material fees	563,500	548,545	548,545		548,545	
Other student fees	439,500	486,963	486,963		486,963	
Institutional revenues	435,000	529,453	529,453		529,453	
Total revenues	38,857,027	39,306,278	39,306,278		39,306,278	
Expenditures:						
Instruction	23,360,559	21,803,596	21,803,596		21,803,596	
Instructional resources	1,580,549	1,464,324	1,464,324		1,464,324	
Student services	2,210,937	2,198,537	2,198,537		2,198,537	
General institutional	8,357,087	8,053,055	8,053,055		8,053,055	
Physical plant	3,836,895	3,662,043	3,662,043		3,662,043	
Total expenditures	39,346,027	37,181,555	37,181,555		37,181,555	
Excess (deficiency) of revenues over expenditures	(489,000)	2,124,723	2,124,723		2,124,723	
Other financing sources (uses):						
Transfers in		35,126	35,126		35,126	
Transfers out		(2,168,380)	(2,168,380)		(2,168,380)	
Total other financing sources (uses)		(2,133,254)	(2,133,254)		(2,133,254)	
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$ (489,000)	\$ (8,531)	(8,531)		(8,531)	\$ 0
Fund balance at beginning of year			14,941,627		14,941,627	
Fund balance at end of year			\$ 14,933,096	\$ 0	\$ 14,933,096	
Fund balance:						
Reserved for prepaid items			\$ 102,925			
Unreserved fund balance:						
Designated for postemployment benefits			5,811,197			
Designated for state aid fluctuations			939,907			
Designated for operations			8,079,067			
Total fund balance			\$ 14,933,096			

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, 2018

	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	3,058,580	3,190,202	3,190,202		3,190,202	
Federal revenues	1,313,900	1,651,666	1,651,666		1,651,666	
Statutory program fees	227,000	216,851	216,851		216,851	
Material fees	34,000	35,946	35,946		35,946	
Other student fees	419,000	463,720	463,720		463,720	
Institutional revenues	3,333,000	4,056,426	4,056,426		4,056,426	
Total revenues	9,485,480	10,714,811	10,714,811		10,714,811	
Expenditures:						
Instruction	7,280,400	8,238,138	8,238,138		8,238,138	
Instructional resources	42,700	129,146	129,146		129,146	
Student services	1,448,000	1,518,123	1,518,123		1,518,123	
General institutional	743,200	848,794	848,794		848,794	
Physical plant	45,500	45,721	45,721		45,721	
Total expenditures	9,559,800	10,779,922	10,779,922		10,779,922	
Deficiency of revenues over expenditures	(74,320)	(65,111)	(65,111)		(65,111)	
Other financing sources (uses):						
Transfers in		410,000	410,000		410,000	
Transfers out		(15,704)	(15,704)		(15,704)	
Total other financing sources (uses)		394,296	394,296		394,296	
Excess (deficiency) of revenues and other financing sources over expenditures	\$ (74,320)	\$ 329,185	329,185		329,185	\$ 0
Fund balance at beginning of year			2,222,949		2,222,949	
Fund balance at end of year			\$ 2,552,134	\$ 0	\$ 2,552,134	
Fund balance - Unreserved - Designated for operations			\$ 2,552,134			

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, 2018

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$ 200,000	\$ 121,466	\$ 121,466	\$ 0	\$ 121,466	\$ 0
State revenues	1,258,500	1,182,591	1,182,591		1,182,591	
Federal revenues	13,727,000	11,720,997	11,720,997		11,720,997	
Other student fees	877,000	845,216	845,216		845,216	
Institutional revenues	183,000	271,189	271,189		271,189	
Total revenues	16,245,500	14,141,459	14,141,459		14,141,459	
Expenditures:						
Student services	16,160,500	14,076,667	14,076,667		14,076,667	
Public service	70,000	33,053	33,053		33,053	
Total expenditures	16,230,500	14,109,720	14,109,720		14,109,720	
Excess of revenues over expenditures	15,000	31,739	31,739		31,739	
Other financing sources - Transfers in		18,880	18,880		18,880	
Excess of revenues and other financing sources over expenditures	\$ 15,000	\$ 50,619	50,619		50,619	\$ 0
Fund balance at beginning of year			304,334		304,334	
Fund balance at end of year			\$ 354,953	\$ 0	\$ 354,953	
Fund balance - Reserved fund balance - Student organizations			\$ 354,953			

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, 2018

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
State revenues	\$ 198,705	\$ 244,995	\$ 244,995	\$ 0	\$ 244,995	\$ 0
Federal revenues		35,357	35,357		35,357	
Institutional revenues	323,000	480,232	480,232		480,232	
Total revenues	521,705	760,584	760,584		760,584	
Expenditures:						
Capital outlay:						
Instruction	2,169,751	1,833,337	1,833,337		1,833,337	
Instructional resources	1,021,034	1,250,986	1,250,986		1,250,986	
General institutional	5,692,976	2,746,665	2,746,665		2,746,665	
Physical plant	5,267,653	6,436,012	6,436,012		6,436,012	
Total expenditures	14,151,414	12,267,000	12,267,000		12,267,000	
Excess (deficiency) of revenues over expenditures	(13,629,709)	(11,506,416)	(11,506,416)		(11,506,416)	
Other financing sources:						
Transfers in		759,475	759,475		759,475	
Issuance of long-term debt	11,099,000	11,500,000	11,500,000		11,500,000	
Total other financing sources	11,099,000	12,259,475	12,259,475		12,259,475	
Deficiency of revenues and other financing sources over expenditures	\$ (2,530,709)	\$ 753,059	753,059		753,059	\$ 0
Fund balance at beginning of year			14,406,189		14,406,189	
Fund balance at end of year			\$ 15,159,248	\$ 0	\$ 15,159,248	
Fund balance - Reserved for capital projects			\$ 15,159,248			

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, 2018

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local revenues	\$ 9,762,150	\$ 11,533,588	\$ 11,533,588	\$ 0	\$ 11,533,588	\$ 0
Institutional revenues	15,000	50,789	50,789		50,789	
Total revenues	9,777,150	11,584,377	11,584,377		11,584,377	
Expenditures - Physical plant	11,436,500	11,442,331	11,442,331		11,442,331	
Excess (deficiency) of revenues over expenditures	(1,659,350)	142,046	142,046		142,046	
Other financing sources - Premium on long-term debt	195,000	368,309	368,309		368,309	
Excess (deficiency) of revenues and other financing sources over expenditures	\$ (1,464,350)	\$ 510,355	510,355		510,355	\$ 0
Fund balance at beginning of year			2,466,861		2,466,861	
Fund balance at end of year			\$ 2,977,216	\$ 0	\$ 2,977,216	
Fund balance - Reserved for debt service			\$ 2,977,216			

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Northcentral Technical College District

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual (Non-GAAP Budgetary Basis) - Enterprise Fund

Year Ended June 30, 2018

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Operating revenues:						
Local	\$ 0	\$ 77,610	\$ 77,610	\$ 0	\$ 77,610	\$ 0
Institutional	2,860,000	2,488,223	2,488,223		2,488,223	
Total operating revenues	-	2,565,833	2,565,833		2,565,833	
Operating expenses - Auxiliary services	2,853,000	2,624,362	2,624,362		2,624,362	
Operating income (loss)	7,000	(58,529)	(58,529)		(58,529)	
Operating transfers - Transfers out		(21,126)	(21,126)		(21,126)	
Change in net position	<u>\$ 7,000</u>	<u>\$ (79,655)</u>	(79,655)		(79,655)	<u>\$ 0</u>
Net position at beginning of year			577,711		577,711	
Net position at end of year			<u>\$ 498,056</u>	<u>\$ 0</u>	<u>\$ 498,056</u>	
Net position - Unrestricted			<u>\$ 498,056</u>			

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Northcentral Technical College District

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual (Non-GAAP Budgetary Basis) - Internal Service Fund

Year Ended June 30, 2018

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Operating revenues - Institutional	\$ 7,315,000	\$ 7,149,403	\$ 7,149,403	\$ 0	\$ 7,149,403	\$ 0
Operating expenses - Auxiliary services	7,253,000	7,919,512	7,919,512		7,919,512	
Operating income (loss)	62,000	(770,109)	(770,109)		(770,109)	
Operating transfers:						
Transfers in		1,015,000	1,015,000		1,015,000	
Transfers out		(33,271)	(33,271)		(33,271)	
Total operating transfers		981,729	981,729		981,729	
Change in net position	<u>\$ 62,000</u>	<u>\$ 211,620</u>	211,620		211,620	<u>\$ 0</u>
Net position at beginning of year			1,076,685		1,076,685	
Net position at end of year			<u>\$ 1,288,305</u>	<u>\$ 0</u>	<u>\$ 1,288,305</u>	
Net position - Unrestricted			<u>\$ 1,288,305</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	\$ 39,306,278
Special Revenue Aidable Fund	10,714,811
Special Revenue Non-Aidable Fund	14,141,459
Capital Projects Fund	760,584
Debt Service Fund	11,584,377
Enterprise Fund	2,565,833
Internal Service Fund	7,149,403

86,222,745

Adjustments:

Interfund charges from internal service and fiduciary funds are eliminated for GAAP reporting	(7,203,320)
Interfund charges for rent are eliminated for GAAP reporting	(208,958)
Student aid in the form of loans is included in revenues for budgetary purposes but offset revenues for GAAP reporting	(5,802,174)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(5,410,323)
Revenues in agency funds are included in revenues for budgetary purposes but offset expenditures for GAAP reporting	(967,905)
Summer tuition recognized on the cash basis is adjusted to accrual basis for GAAP reporting	(57,088)
Property taxes levied for debt service payments in the subsequent fiscal year are deferred for budgetary purposes	(1,498,447)

Reconciled revenues	\$ 65,074,530
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Revenues per Statement of Revenues and Expenses on a GAAP basis:

Operating revenues	\$ 25,087,190
Property taxes	20,309,237
State operating appropriations	19,387,371
Investment income	290,732

Total	\$ 65,074,530
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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	\$ 37,181,555
Special Revenue Aidable Fund	10,779,922
Special Revenue Non-Aidable Fund	14,109,720
Capital Projects Fund	12,267,000
Debt Service Fund	11,442,331
Enterprise Fund	2,624,362
Internal Service Fund	7,919,512

96,324,402

Adjustments:

Interfund charges from internal service funds are eliminated for GAAP reporting	(6,966,970)
Interfund charges for rent are eliminated for GAAP reporting	(208,958)
Student aid in the form of loans are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(5,802,174)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(5,410,323)
Expenses in agency funds are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(1,004,233)
Cash basis expenditures adjusted to accrual basis for GAAP reporting:	
Summer school instructional wages	(41,539)
Interest expense	82,486
Postemployment benefits	(461,200)
Pension-related benefits	693,414
Compensated absences	(9,468)
The acquisition of capital assets, excluding donations, is reported as an expenditure for budgetary purposes	(8,532,655)
Repayment of principal on long-term debt is a budgetary expenditure	(10,505,000)
Bond premium is amortized for GAAP purposes	(326,115)
Depreciation and loss on capital asset disposals recorded for GAAP purposes	8,607,162

Expenses on a GAAP basis	\$ 66,438,829
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Expenses per the Statement of Revenues and Expenses on a GAAP basis:

Operating expenses	\$ 65,849,687
Loss on disposal of capital assets	2,641
Interest expense	586,501

Total	\$ 66,438,829
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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, 2018

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Pass-Through Agency Number	Grant Period	Program or Award Amount	Grantor Expenditures	Local Share	Passed Through to Sub- Recipients
U.S. Department of Agriculture Pass-Through Program Northeast Community College Rural Cooperative Development Grants Agriculture Applied Research Project	10.771	210910-02-01	8/1/17-3/30/18	\$ 8,950	\$ 8,503	\$ 0	\$ 0
U.S. Department of Interior Bureau of Indian Affairs Indian Education - Higher Education Grant Program	15.114		7/1/17-6/30/18		34,882		
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	311,178		
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	208,071		
Total U.S. Department of Labor					519,249		
U.S. Department of State Direct Program Academic Exchange Programs - Undergraduate Programs American Councils for International Education	19.009		8/1/17-6/30/18	7,831	7,266	3,194	
Middle East and North Africa Partnership Initiative - Georgetown University	19.600	S-NEAAC-17-CA-1016	5/1/17-10/31/17	37,954	32,059		
Total U.S. Department of State					39,325	3,194	
National Science Foundation Direct Program Education and Human Resources Making & Mentoring: Integrating Computational Thinking	47.076		8/1/17-7/31/20	1,091,222	206,329		87,080
Pass-Through Programs Dakota County Technical College Midwest Regional Center for Nanotechnology Education	47.076	PO58899	10/1/17-6/30/18	15,773	4,644		
Total National Science Foundation					210,973		87,080
U.S. Department of Education Direct Programs Student Financial Aid Cluster Federal Supplemental Education Opportunity Grants	84.007	P007A174527	7/1/17-6/30/18	120,470	121,739		
Federal Direct Loan Program Subsidized Stafford	84.268	P28K172670	7/1/16-6/30/17		(2,582)		
Subsidized Stafford	84.268	P28K182670	7/1/17-6/30/18		3,721,052		
Subsidized Stafford	84.268	P28K192670	7/1/18-6/30/19		81,223		
Unsubsidized Stafford	84.268	P268K182670	7/1/17-6/30/18		1,936,586		
Unsubsidized Stafford	84.268	P268K192670	7/1/18-6/30/19		30,110		
PLUS	84.268	P28K172670	7/1/17-6/30/18		23,785		
Total CFDA 84.268					5,790,174		
Federal Work Study Program Federal Work Study Program	84.033	P033A174527	7/1/17-6/30/18		142,494		47,499
Federal Pell Grant Program Pell Grant Administrative Allowance	84.063	P063Q172670	7/1/17-6/30/18		9,235		
Federal Pell Grant Program	84.063	P063P162670	7/1/16-6/30/17		2,216		
Federal Pell Grant Program	84.063	P063P172670	7/1/17-6/30/18		5,265,673		
Federal Pell Grant Program	84.063	P063P182670	7/1/18-6/30/19		300,705		
Total CFDA 84.063					5,577,829		
Total Student Financial Assistance Cluster					11,632,236		47,499

Northcentral Technical College District

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2018

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Pass-Through Agency Number	Grant Period	Program or Award Amount	Grantor Expenditures	Local Share	Passed Through to Sub- Recipients
U.S. Department of Education							
Adult Education - Basic Grants to States							
Pass-Through Programs							
Wisconsin Technical College System							
Basic Skills - Comprehensive	84.002	15-511-146-128	7/1/17-6/30/18	\$ 253,064	\$ 253,064	\$ 132,300	\$ 0
Integrated English Lit. and Civics Education	84.002	15-520-146-168	7/1/17-6/30/18	11,558	11,558		
Basic Education Services - Jails	84.002	15-531-146-118	7/1/17-6/30/18	36,472	36,472	12,157	
Adult Basic Education for Severely At-Risk Learners	84.002	71-971-149-158	7/1/17-6/30/18	38,640	38,640	12,880	
Total CFDA 84.002					339,734	157,337	
Vocational Education - Basic Grants							
Pass-Through Programs							
Wisconsin Technical College System							
Achieving Student Success for At-Risk Students	84.048	15-102-150-238	7/1/17-6/30/18	401,136	401,136	365,700	
Increasing Nontraditional Occupations Enrollment and Completion	84.048	15-104-150-268	7/1/17-6/30/18	26,742	26,742		
Career Prep	84.048	15-107-150-218	7/1/17-6/30/18	39,469	39,283		
Strengthening Programs	84.048	15-108-150-258	7/1/17-6/30/18	101,554	99,223		
Total CFDA 84.048					566,384	365,700	
Pass-Through Programs							
National Resource Centers Program for Foreign Language, etc.							
UW-Milwaukee							
Strategies for Promoting and Assessing Global Awareness	84.015A		10/1/17-10/1/18		82		
Wisconsin Department of Public Instruction							
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		7/1/17-6/30/18		13,806		
Wisconsin Department of Children and Families							
Race to the Top - Early Learning Challenge	84.412A	CFE00449	11/1/14-12/31/17	247,800	6,769		
Total U.S. Department of Education					12,559,011	570,536	
U.S. Department of Health and Human Services							
Pass-Through Program							
Wisconsin Department of Health Services							
Medical Assistance Program							
WisCaregiver Career Program	93.778	435600-G18-0680TECHCOL	3/1/18-2/28/20		22,396		
U.S. Department of Homeland Security							
Pass-Through Programs							
Wisconsin Technical College System							
Assistance to Firefighters Grant	97.044	15-847-153-117	7/1/16-8/31/17	6,671	2,574	386	
Assistance to Firefighters Grant	97.044	15-847-153-118	7/1/17-6/30/18	20,436	20,341	3,050	
Total U.S. Department of Homeland Security					22,915	3,436	
TOTAL FEDERAL AWARDS					\$ 13,417,254	\$ 577,166	\$ 87,080

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, 2018

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	Passed Through to Sub- Recipients
Wisconsin Higher Education Aids Board							
Direct Programs							
Wisconsin Higher Education Grants	235.102	N/A	7/1/17-6/30/18	\$ 0	\$ 972,474	\$ 0	\$ 0
Remission of Fees for Veterans and Dependents	235.105	N/A	7/1/17-6/30/18		50,909		
Minority Undergraduate Retention Grant	235.107	N/A	7/1/17-6/30/18		6,715		
Wisconsin Covenant Grant	235.108	N/A	7/1/17-6/30/18		22,752		
Academic Excellence Scholarship	235.109	N/A	7/1/17-6/30/18		1,125		
Hearing and Visually Handicapped Student Grant	235.112	N/A	7/1/17-6/30/18		1,800		
Talent Incentive Program	235.114	N/A	7/1/17-6/30/18		31,000		
Nursing Student Loan	235.117	N/A	7/1/17-6/30/18		12,000		
Technical Excellence Scholarship	235.119	N/A	7/1/17-6/30/18		52,315		
Wisconsin Foundation Covenant Grant	235.131	N/A	7/1/17-6/30/18		17,750		
Indian Student Assistance Grant	235.132	N/A	7/1/17-6/30/18		5,500		
Total Wisconsin Higher Education Aids Board					1,174,340		
Wisconsin Technical College System							
Direct Programs							
Emergency Assistance Grants	292.104	15-850-104-118	7/1/17-6/30/18	19,460	14,549		
State Aids for Wisconsin Technical College System							
General State Aids	292.105	N/A	7/1/17-6/30/18		4,373,500		
Outcomes Based Aid	292.105	N/A	7/1/17-6/30/18		1,747,919		
General State Aid Adjustment - Prior Year	292.105	N/A	7/1/17-6/30/18		(124,600)		
Total 292.105					5,996,819		
Workforce Advancement Training Grant Program							
Direct Programs							
Building a Safer Workplace Consortium	292.124	15-878-124-177	7/1/16-8/31/17	107,623	24,534		
Building Technical Talent Management Consortium	292.124	15-880-124-177	7/1/16-8/31/17	152,975	31,884		
Healthcare Talent Development	292.124	15-881-124-177	7/1/16-8/31/17	42,603	9,540		
Consortium: Career Pathways for Educational Attainment							
First Year Experiences/Learning Communities and Academic Tutoring	292.124	15-820-124-128	7/1/17-6/30/18	453,404	453,359	151,120	
Captioning for Equitable Access	292.124	15-823-124-198	12/1/17-2/15/19	20,000	2,101		
Enhancing Learning Communities and Academic Tutoring	292.124	15-824-124-168	7/1/17-6/30/18	225,000	225,000	75,000	
Culinary Arts Associate Degree	292.124	15-828-124-148	7/1/17-6/30/18	200,000	200,000		
Adult Pathways-Supervisory Management, Machine Tool, Applied Engineering, and Safety Engineering	292.124	15-833-124-128	7/1/17-6/30/18	174,686	172,006	57,335	
Post Secondary Instruction at County Jails	292.124	15-834-124-198	7/1/17-6/30/18	75,000	75,000		
Professional Development for Full-Time and Adjunct Faculty	292.124	15-849-124-158	7/1/17-6/30/18	57,260	57,260	28,630	
Plumbing Apprentice - Related Instruction	292.124	15-855-124-118	7/1/17-6/30/18	10,000	10,000		
Electrical & Instrumentation Apprentice - Related Instruction Program	292.124	15-856-124-118	7/1/17-6/30/18	27,688	27,685		
Machinist/Tool and Die Apprentice - Related Instruction Program	292.124	15-858-124-118	7/1/17-6/30/18	6,200	6,200		
Diesel Technology - Increasing Skilled Workers for Core Industry	292.124	15-864-124-138	7/1/17-6/30/18	500,000	500,000		
Consortium: Information Technology Software Developer	292.124	15-865-124-138	7/1/17-6/30/18	750,000	750,000		
Next Generation Workforce and Leadership Consortium	292.124	15-888-124-178	7/1/17-8/31/18	199,983	181,032		
Building a Safer Workplace Consortium	292.124	15-889-124-178	7/1/17-8/31/18	192,377	187,440		
Building Technical Talent Management	292.124	15-887-124-178	7/1/17-8/31/18	195,969	191,724		
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	3,347		
AMN-NW Gold Collar Careers	292.124	01-887-124-188	7/1/17-6/30/18	64,800	3,284		
Total 292.124					3,111,396	312,085	
HazMat Training	292.138	N/A	7/1/17-6/30/18		31,295		
Property Tax Relief Aid	292.162	N/A	7/1/17-6/30/18		13,229,408		
Total Wisconsin Technical College System					22,383,467	312,085	

Northcentral Technical College District

Schedule of Expenditures of State Awards (Continued)

Year Ended June 30, 2018

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	Passed Through to Sub- Recipients
Wisconsin Department of Natural Resources							
Direct							
Payments in Lieu of Taxes	370.503	N/A	7/1/17-6/30/18	\$ 0	\$ 30,614	\$ 0	\$ 0
Department of Workforce Development							
Direct Programs							
Local Youth Apprenticeship	445.107	1U	7/1/17-6/30/18	344,700	341,342	172,350	
Total Department of Workforce Development					341,342	172,350	
Wisconsin Department of Transportation							
Direct Programs							
Motorcycle Safety - Basic Rider	20.395(4)(aq)		3/1/16-11/30/17		17,807		
Motorcycle Safety - Rider Coach Preparation Course	20.395(4)(aq)	0094-00-03	1/1/17-12/31/17		11,896		
Total Wisconsin Department of Transportation					29,703		
Wisconsin Department of Revenue							
Direct Programs							
Aid in Lieu of Computer Taxes	835.109	N/A	7/1/17-6/30/18	99,235	\$ 99,235	\$	
TOTAL STATE FINANCIAL ASSISTANCE					\$ 24,058,701	\$ 484,435	\$

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 "Schedules") include the federal and state award activity of the District under programs of the federal and state government for the year ended June 30, 2018. 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.

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	\$ 7,627,080
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Adjustments:

Federal Direct Loan Program (CFDA #84.268)	5,790,174
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Federal revenues per schedule of expenditures of federal awards	\$ 13,417,254
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State:

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

Operating revenues - State grants	\$ 4,656,697
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Non-operating revenues - State operating appropriations	19,387,371
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Total State revenues per statement of revenues, expenses, and changes in net position	24,044,068
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Adjustment - Nursing Student Loan (State ID# 235.117)	12,000
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Adjustment - State Emergency Fund Balance Transfer	2,633
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State revenues per schedule of expenditures of state awards	\$ 24,058,701
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STATISTICAL SECTION

YEARS ENDED 2018 & 2017

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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net investment in capital assets	\$24,122,258	\$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
Restricted for debt service	8,317,949	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
Restricted for pension benefit				4,402,643						
Unrestricted	17,866,578	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
Total net position	\$50,306,785	\$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

Northcentral Technical College District

Changes in Net Position

Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating revenues:										
Student program fees, net of scholarship allowances	\$4,702,937	\$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
Student material fees, net of scholarship allowances	346,263	331,100	398,967	347,126	358,249	347,082	323,597	326,035	473,623	347,049
Other student fees, net of scholarship allowances	431,508	346,153	390,000	340,848	162,453	28,406	53,305	391,829	410,365	585,484
Federal grants	7,627,080	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
State grants	4,656,697	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
Business and industry contract revenues	3,029,511	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
School District contract revenues	743,169	693,180	669,328	636,323	655,060	676,448	718,401	672,582	809,918	786,151
Auxiliary enterprise revenues	2,492,635	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
Miscellaneous	1,057,390	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
Total operating revenues	25,087,190	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
Operating expenses:										
Instruction	31,146,729	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
Instructional resources	2,264,889	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
Student services	4,008,962	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
General institutional	11,426,340	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
Physical plant	4,235,123	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
Auxiliary enterprise services	2,484,925	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
Public service					45,415		36,277			
Depreciation	8,604,521	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
Student aid	1,678,198	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
Total operating expenses	65,849,687	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
Operating loss	(40,762,497)	(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)
Non-operating revenues (expenses):										
Property taxes	20,309,237	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
State operating appropriations	19,387,371	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
Loss on disposal of capital assets	(2,641)	(797,071)	(16,649)				(17,048)	(6,980)	(43,588)	
Investment income earned	290,732	126,786	88,442	75,530	124,243	80,276	136,086	112,977	159,093	318,841
Interest expense	(586,501)	(602,618)	(461,430)	(454,482)	(489,114)	(405,118)	(491,127)	(617,331)	(722,535)	(643,293)
Transfer of capital assets to Wausau Area Community Network				(1,593,733)						
Total non-operating revenues (expenses)	39,398,198	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
Income (loss) before other changes in net position	(1,364,299)	(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)
Impairment gain on tornado damage							22,740			
Other - Cumulative effect of change in accounting principle				(5,767,906)	7,939,648				(87,535)	
Total change in net position	(\$1,364,299)	(\$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)

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)
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%			
2017	11,496,159,102	2,777,853,500	591,280,500	355,701,566	155,722,836	984,609,076	626,470,410	478,985,107	17,466,782,097	14,603,138,274	1.26845
% of Total	65.82%	15.90%	3.39%	2.04%	0.89%	5.64%	3.59%	2.74%			

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District Direct Rates										
Operational (1)	0.642	0.639	0.635	0.627	1.510	1.497	1.499	1.499	1.473	1.468
Debt Service	0.626	0.626	0.626	0.591	0.575	0.526	0.523	0.476	0.439	0.382
Total Direct Rate	1.268	1.265	1.261	1.218	2.085	2.023	2.022	1.975	1.912	1.850
<u>Clark County</u>										
T Beaver	20.84	21.84	22.00	21.55	21.53	20.55	20.49	20.58	18.89	18.89
T Colby	20.74	21.06	21.27	20.74	20.84	21.42	19.56	18.98	18.36	18.69
T Eaton	21.49	22.32	24.28	24.18	25.01	24.23	23.49	23.20	21.67	21.81
T Fremont	21.70	21.98	22.24	22.38	22.52	22.52	22.43	21.92	20.16	19.52
T Green Grove	19.68	20.05	19.85	20.02	19.16	19.64	19.70	19.80	18.35	17.47
T Hoard	18.95	19.45	18.78	18.62	17.23	18.45	19.20	20.33	18.65	17.02
T Loyal	20.96	22.04	22.08	21.60	21.55	20.56	20.63	20.69	18.96	18.87
T Mayville	22.48	21.96	23.33	23.37	22.39	22.78	21.60	21.00	20.18	20.26
T Sherman	20.85	21.30	20.81	20.73	20.59	20.10	19.95	19.26	18.26	17.75
T Unity	21.29	21.60	21.25	21.39	21.36	21.65	20.69	19.85	19.21	19.19
T Warner	22.92	23.83	25.73	25.75	26.46	25.64	24.93	24.56	22.97	21.91
T Weston	19.06	19.71	20.39	19.92	20.72	21.63	21.16	20.76	19.45	18.60
T York	19.97	20.90	21.03	21.04	21.37	21.58	21.47	21.21	19.07	18.90
V Curtiss	22.95	21.04	32.94	32.81	31.04	31.49	30.84	27.81	24.10	28.28
V Dorchester	25.02	25.52	25.37	25.51	25.69	26.40	24.42	24.07	23.49	23.77
V Unity	22.89	22.99	23.34	23.38	23.39	23.83	22.31	21.30	20.63	21.04
C Abbotsford	25.87	24.08	27.85	26.49	26.57	26.60	25.33	24.86	24.19	23.51
C Colby	27.14	27.38	27.38	28.13	28.60	28.43	26.63	25.23	24.82	24.79
C Loyal	29.01	30.46	30.88	29.33	29.22	27.34	28.24	27.00	25.14	25.01
<u>Langlade County</u>										
T Ackley	17.28	17.50	17.58	17.62	17.79	16.84	18.11	17.52	16.32	15.39
T Antigo	17.50	18.13	18.35	18.55	19.05	18.30	19.49	18.93	17.75	16.79
T Evergreen	20.36	21.94	20.75	19.57	20.58	20.27	20.62	20.68	19.37	18.04
T Langlade	16.55	17.01	17.16	17.34	17.81	17.12	18.39	17.92	16.80	15.85
T Neva	17.86	18.07	18.26	17.77	18.13	17.52	18.62	18.01	16.26	15.33
T Norwood	16.59	17.00	17.31	17.63	18.05	17.34	18.61	18.00	16.85	16.01
T Peck	15.86	16.05	16.34	16.65	17.04	16.33	17.52	16.96	15.92	15.06
T Polar	16.75	17.32	17.67	17.89	18.24	17.53	18.85	18.32	17.06	16.26
T Price	16.09	16.47	16.79	17.07	17.50	16.78	18.05	17.48	16.26	15.42
T Rolling	17.56	17.98	18.29	18.65	19.05	18.23	19.50	18.89	17.78	16.97
T Summit	16.19	16.47	16.65	16.93	17.37	16.67	17.94	17.29	16.16	15.33
T Upham	14.69	13.25	13.38	13.62	14.23	13.55	13.78	13.67	13.44	11.98
T Vilas	16.92	17.33	17.62	17.46	17.89	17.20	18.48	17.86	16.74	15.88
T Wolf River	19.96	21.41	20.14	19.03	20.00	19.74	20.08	20.16	18.90	17.60
V White Lake	25.21	27.51	26.00	24.92	26.06	26.15	26.54	26.92	25.65	24.38
C Antigo	25.23	25.35	25.45	25.78	26.01	25.50	26.48	25.87	25.61	24.40
<u>Lincoln County</u>										
T Birch	16.83	17.26	17.61	18.27	18.42	17.23	17.08	17.44	15.96	15.14
T Corning	18.48	18.90	19.30	19.97	20.20	18.97	19.15	19.46	17.87	16.88
T Harding	17.55	17.95	18.31	18.93	19.12	17.58	17.79	18.14	16.64	15.61
T Harrison	17.41	16.66	16.35	16.54	17.54	16.13	16.31	16.16	15.05	14.36

Legend: T-Town, V-Village, C-City

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Lincoln County</u> (Continued)										
T Merrill	17.94	18.37	18.73	19.37	19.51	18.32	18.54	19.01	17.36	16.37
T Pine River	18.86	19.23	19.67	20.39	20.64	19.35	19.51	19.84	18.08	17.04
T Rock Falls	17.56	17.71	17.93	18.55	18.83	17.62	17.89	18.14	16.76	15.79
T Russell	18.36	18.79	19.14	19.67	19.78	18.55	18.76	19.20	17.62	16.48
T Schley	17.38	17.79	18.16	18.82	18.98	17.75	17.98	18.34	16.84	15.79
T Scott	18.81	19.20	19.69	20.41	20.51	19.20	19.50	19.81	18.28	17.15
C Merrill	30.93	32.37	32.08	33.00	31.02	29.17	29.48	29.79	27.88	26.10
<u>Marathon County</u>										
T Bergen	16.92	16.99	17.48	18.16	19.25	18.99	19.11	18.52	17.54	17.00
T Berlin	19.49	19.90	20.21	19.98	20.69	20.66	20.79	20.45	19.63	18.43
T Bern	17.13	18.60	19.18	19.02	19.89	19.83	19.48	19.74	18.86	18.60
T Bevent	17.13	17.86	18.23	18.88	18.82	18.99	17.84	17.65	19.67	17.46
T Brighton	20.10	20.04	19.58	19.85	20.50	20.91	20.11	18.92	18.99	18.59
T Cassel	18.13	18.48	18.51	18.57	18.91	19.20	19.27	18.41	17.70	16.81
T Cleveland	17.64	18.35	17.99	18.14	19.15	18.93	18.86	18.11	17.34	16.92
T Day	19.80	19.99	19.66	20.13	20.58	20.36	20.03	19.31	18.50	17.37
T Easton	20.98	21.29	22.15	22.34	21.92	21.75	21.17	20.67	19.94	20.68
T Eau Pleine	16.61	17.13	16.88	17.17	18.12	17.83	17.77	16.95	16.21	15.86
T Elderon	15.95	16.25	17.50	17.78	17.45	17.91	17.71	16.73	16.86	15.12
T Emmet	17.61	17.83	17.98	18.34	18.68	18.58	18.69	17.93	17.07	16.45
T Frankfort	18.26	18.50	18.66	18.69	19.48	19.49	18.83	18.21	17.68	17.54
T Franzen	17.39	17.06	18.36	18.69	17.69	17.88	17.67	16.99	17.16	15.29
T Green Valley	18.52	19.03	19.14	19.57	20.74	20.48	20.46	19.74	18.51	17.91
T Guenther	19.68	19.59	20.10	20.99	21.77	21.98	21.52	20.83	19.64	19.50
T Halsey	18.15	19.90	20.53	20.42	21.28	20.07	19.72	20.15	19.24	18.94
T Hamburg	18.10	18.83	19.47	20.10	19.95	19.26	19.39	19.63	18.47	17.65
T Harrison	15.19	15.74	16.44	16.74	17.15	16.54	17.75	17.25	16.55	15.86
T Hewitt	21.16	21.57	22.21	21.95	22.55	22.59	22.66	22.20	21.22	19.97
T Holton	17.18	16.72	17.96	18.07	18.60	18.88	17.62	17.25	17.01	17.36
T Hull	17.52	17.85	18.08	18.11	18.78	19.46	18.03	17.71	17.59	18.20
T Johnson	18.29	18.85	20.10	19.76	20.39	20.32	19.26	19.90	19.09	18.30
T Knowlton	16.85	16.96	17.40	18.13	19.29	19.06	19.16	18.43	17.35	16.82
T Maine			22.11	21.83	21.98	21.93	22.13	21.95	20.95	20.00
T Marathon	18.09	18.92	18.42	18.77	18.77	19.72	19.66	18.66	18.09	17.21
T McMillan	18.09	18.14	18.44	18.55	19.48	19.61	19.11	18.76	18.53	17.70
T Mosinee	17.34	17.50	17.87	18.60	19.60	19.51	19.56	18.89	17.74	17.23
T Norrie	16.95	17.26	17.42	17.66	17.55	17.59	17.37	16.54	16.56	15.02
T Plover	18.39	18.95	20.12	20.43	20.00	20.15	20.51	19.70	19.20	17.85
T Reid	16.65	16.89	17.83	18.27	18.62	18.70	18.55	17.76	17.46	16.34
T Rib Falls	18.17	18.78	18.82	18.67	18.84	19.34	19.36	18.59	17.88	16.99
T Rib Mountain	21.13	21.25	21.75	21.29	22.18	21.99	21.95	21.65	20.79	19.53
T Rietbrock	18.16	19.33	19.89	19.73	20.56	20.39	20.14	20.20	19.27	18.90
T Ringle	17.58	17.87	18.53	18.63	19.65	19.32	18.82	18.33	17.72	17.64
T Spencer	20.10	19.77	18.82	19.22	19.82	20.11	19.89	18.18	18.66	17.47
T Stettin	20.22	20.66	20.88	20.78	21.45	21.72	21.78	21.36	20.61	19.51
T Texas	21.00	21.35	20.97	20.66	21.44	21.38	21.50	21.22	20.31	18.97
T Wausau	21.01	21.26	21.73	21.46	21.64	21.03	20.90	20.79	20.01	18.96

Legend: T-Town, V-Village, C-City

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Marathon County</u> (Continued)										
T Weston	19.56	18.38	19.08	19.09	19.12	18.81	18.31	17.87	17.24	17.17
T Wien	18.56	18.45	18.46	18.21	19.06	18.63	18.81	18.08	17.18	16.43
V Athens	23.21	24.27	25.08	25.13	26.17	26.30	25.63	25.68	24.74	24.48
V Birnamwood	18.06	18.43	19.73	19.86	19.37	19.83	19.56	18.77	19.03	16.98
V Brokaw	33.50	34.02	47.00	37.93	43.17	38.81	30.08	28.97	25.79	24.47
V Dorchester	20.16	20.40	23.75	22.80	23.48	22.35	20.69	21.93	21.43	22.58
V Edgar	22.89	22.68	23.02	22.89	23.37	22.72	22.85	22.32	21.16	20.07
V Elderon	16.52	16.87	18.18	18.55	18.28	18.64	18.33	17.57	17.59	15.89
V Fenwood	19.03	18.82	18.90	18.64	19.46	18.91	19.12	18.53	17.57	16.68
V Hatley	19.57	19.92	20.41	20.50	21.39	21.24	20.47	20.04	19.32	19.18
V Kronenwetter	20.49	19.84	21.69	22.07	22.86	22.60	21.95	21.12	19.89	19.62
V Maine	21.02	21.69								
V Marathon	23.14	23.92	23.75	23.98	23.94	25.00	24.55	23.53	22.79	21.83
V Rothschild	23.91	24.06	24.91	24.72	25.53	24.89	23.86	23.45	22.91	22.56
V Spencer	25.41	24.73	23.95	24.75	25.11	25.27	25.19	23.18	23.63	22.40
V Stratford	20.79	21.05	20.60	21.47	22.49	22.26	22.05	21.19	20.29	19.86
V Unity	19.04	19.21	19.70	19.90	20.84	21.40	20.14	19.29	18.93	19.07
V Weston	23.03	23.01	23.73	23.66	24.40	23.99	23.14	22.76	21.89	21.66
C Abbotsford	24.04	20.95	23.98	24.30	24.54	24.58	23.26	23.01	22.44	21.73
C Colby	23.79	24.22	24.32	24.92	26.08	25.88	24.16	23.00	22.95	23.02
C Mosinee	22.72	23.09	23.53	23.68	24.52	24.20	23.81	22.90	21.76	21.02
C Schofield	23.61	24.02	25.47	24.87	25.54	25.21	24.73	24.43	23.40	23.03
C Wausau	27.08	27.60	27.49	26.77	27.89	27.49	27.29	27.03	26.00	24.42
<u>Menominee County</u>										
T Menominee	20.25	20.46	22.86	22.48	22.71	21.63	20.61	20.49	19.08	20.53
<u>Portage County</u>										
T Alban	19.64	20.13	20.13	20.71	20.94	20.66	19.22	19.40	21.15	18.71
T New Hope	17.22	17.58	17.49	17.89	18.67	18.53	17.69	17.58	17.77	15.95
T Sharon	17.67	18.29	18.42	18.56	19.76	19.52	18.69	18.41	19.75	17.98
T Stockton	16.27	17.02	17.34	17.21	19.07	18.75	18.20	18.14	18.48	17.28
V Rosholt	21.99	23.38	23.61	24.50	24.98	22.99	21.81	21.40	23.19	20.62
<u>Price County</u>										
T Catawba	17.17	17.42	17.78	16.93	17.89	18.04	17.27	17.56	16.19	15.98
T Eisenstein	16.78	16.57	16.85	14.80	16.36	16.13	15.43	17.00	16.10	13.69
T Elk	17.74	17.82	18.89	17.47	18.33	18.63	17.69	18.01	16.59	16.57
T Emery	17.10	17.23	17.93	16.88	17.72	17.99	17.17	17.47	16.03	15.92
T Fifield	18.91	18.60	18.39	16.67	18.35	18.20	17.43	19.03	18.36	15.91
T Flambeau	17.89	17.97	18.91	17.58	18.72	18.39	17.50	17.74	16.30	16.14
T Georgetown	17.35	17.46	18.26	17.16	18.06	18.29	17.45	17.67	16.44	16.29
T Hackett	18.43	19.75	19.95	18.30	19.66	19.13	18.99	19.23	17.82	16.78
T Harmony	18.02	18.17	19.29	17.77	18.56	18.63	17.84	18.11	16.65	16.56
T Hill	19.44	20.41	19.56	18.42	19.88	19.29	19.17	19.31	18.09	17.19
T Kennan	18.51	18.57	19.31	17.84	18.77	19.04	18.16	18.31	17.26	17.06
T Knox	17.71	19.40	18.90	17.70	19.68	19.16	19.27	19.53	18.31	16.90
T Lake	17.60	17.00	16.88	15.86	17.50	17.17	16.43	17.83	17.01	14.56
T Ogema	20.22	21.34	21.19	19.06	20.98	19.48	19.61	19.84	18.60	17.13

Legend: T-Town, V-Village, C-City

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Price County (Continued)</u>										
T Prentice	18.49	20.19	19.54	18.41	20.07	19.23	19.44	19.54	18.24	16.80
T Spirit	19.75	19.91	20.18	19.18	20.44	19.94	19.49	19.45	18.25	18.13
T Worcester	17.08	17.17	17.94	16.86	17.69	17.95	17.12	17.36	15.89	15.82
V Catawba	17.06	17.18	17.62	16.89	17.81	17.99	17.22	17.55	16.11	15.98
V Kennan	16.94	17.09	17.52	16.80	17.72	17.89	17.16	17.45	15.99	15.87
V Prentice	22.07	23.51	23.06	21.83	23.54	22.89	23.09	23.30	21.81	20.19
C Park Falls	29.39	28.92	29.29	27.18	29.82	27.41	25.45	27.17	25.73	22.61
C Phillips	26.03	25.79	27.78	25.58	26.27	26.74	25.81	25.88	23.99	23.61
<u>Shawano County</u>										
T Almon	18.28	18.45	18.51	18.41	19.09	19.25	19.31	18.09	15.98	15.58
T Aniwa	16.13	16.53	17.41	17.66	17.46	17.50	17.77	17.08	16.58	15.14
T Bartelme	16.42	16.63	16.61	16.50	17.26	17.35	17.40	16.23	14.07	13.78
T Birnamwood	16.21	16.49	17.65	17.86	17.45	17.91	17.58	16.74	16.55	14.61
T Fairbanks	21.22	21.34	21.42	21.25	21.80	20.69	20.40	20.62	18.70	18.09
T Germania	18.21	18.34	18.74	18.67	18.80	18.34	18.07	17.80	16.68	15.48
T Grant	18.51	20.17	19.84	19.77	20.96	19.73	19.05	19.39	18.04	17.29
T Hutchins	16.63	17.03	17.35	17.48	17.97	17.64	18.31	17.63	16.33	15.64
T Morris	18.91	19.13	19.35	19.30	19.73	19.44	19.27	18.71	17.09	16.38
T Seneca	18.51	18.93	18.45	18.47	19.26	19.14	19.04	18.16	16.10	15.77
T Wittenberg	16.47	16.76	17.92	18.05	17.70	18.16	17.81	16.94	16.79	14.84
V Aniwa	15.44	15.92	16.46	16.74	17.07	16.45	17.57	17.08	16.12	15.25
V Birnamwood	19.49	19.94	20.84	21.26	20.54	20.62	20.23	19.53	19.49	17.36
V Bowler	17.21	17.42	17.41	17.31	17.97	18.14	18.17	16.97	14.72	14.31
V Eland	16.71	17.02	18.00	18.68	18.29	18.69	18.35	17.39	16.95	14.90
V Mattoon	17.17	17.62	18.43	18.66	17.20	18.74	19.73	18.81	17.63	16.63
V Tigerton	24.68	25.04	25.16	25.13	25.24	24.11	23.57	23.56	21.11	20.50
V Wittenberg	20.42	20.38	21.25	21.13	20.55	21.00	20.90	20.05	19.74	17.91
<u>Taylor County</u>										
T Browning	19.58	19.41	19.44	19.00	19.99	19.91	19.57	19.01	17.89	16.88
T Chelsea	19.16	18.99	18.98	18.57	19.54	19.33	18.97	18.40	17.26	16.25
T Deer Creek	20.67	20.48	20.54	20.09	21.08	20.99	20.58	20.00	18.80	17.83
T Goodrich	20.03	19.85	19.89	19.43	20.42	20.35	19.98	19.38	18.30	17.17
T Greenwood	20.62	20.48	21.79	21.11	21.74	21.63	20.78	20.62	19.19	19.46
T Grover	22.08	22.20	22.23	22.26	22.63	21.67	20.84	20.59	18.83	18.06
T Hammel	20.89	20.42	20.45	19.94	21.00	20.84	20.31	19.53	18.42	17.36
T Holway	20.72	20.67	20.28	19.83	21.27	20.73	20.36	19.50	17.91	17.90
T Little Black	20.40	19.93	20.04	19.60	20.74	20.63	20.19	19.61	18.42	17.43
T Maplehurst	20.10	20.48	20.33	20.74	20.03	20.28	20.65	21.06	19.28	17.72
T Medford	19.94	19.77	19.79	19.37	20.36	20.32	19.98	19.41	18.19	17.18
T Molitor	21.00	20.76	20.81	20.36	21.35	21.20	20.91	20.34	19.26	18.11
T Rib Lake	21.40	21.29	22.63	21.91	22.59	22.57	21.61	21.45	20.03	20.36
T Westboro	21.80	21.72	23.03	22.23	22.81	22.89	22.01	21.88	20.42	20.62
V Rib Lake	25.14	25.26	26.35	25.62	26.45	26.75	26.01	25.99	24.06	24.37
V Stetsonville	20.52	19.90	19.89	19.28	20.41	20.46	19.98	19.49	18.23	17.24
C Medford	24.97	24.88	24.76	24.29	25.35	25.18	24.76	24.14	22.66	21.35

Legend: T-Town, V-Village, C-City

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Waupaca County</u>										
T Harrison	19.71	20.47	20.14	20.20	20.52	20.35	19.23	19.27	19.63	17.54
T Wyoming	16.78	18.44	18.91	19.12	20.13	19.05	18.17	18.37	17.35	16.40

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, 2018			Year Ended June 30, 2009		
		2017 Equalized Valuation	Rank	Percent of NTC Total Equalized Valuation	2008 Equalized Valuation	Rank	Percent of NTC Total Equalized Valuation
Aspirus Wausau Hospital Inc.	Health care	\$55,177,500	1	0.34%	\$27,694,200	5	0.18%
Marshfield Clinic	Health care	50,517,000	2	0.32%	47,434,000	2	0.30%
Spirit Falls Timber, LLC	Forestry	41,371,600	3	0.26%			
Apogee Wausau Group Inc.	Door and window manufacturer	34,535,600	4	0.22%			
Greenheck Fan Corporation	Manufacturer of industrial fans	30,537,500	5	0.19%	24,175,100	8	0.16%
Saint Clare's Hospital of Weston	Health care	28,639,200	6	0.18%	22,554,500	9	0.14%
Abbyland Foods Inc.	Food manufacturing	26,540,200	7	0.17%			
Kocurek Holdings LLC	Retail	26,269,700	8	0.16%			
First Wausau Tower LLC	Commercial high-rise building	25,266,100	9	0.16%			
Packaging Corporation of America	Paper mill/manufacturer of corrugated medium	24,953,900	10	0.16%			
Potlatch Forest Holdings	Timber				47,822,200	1	0.31%
Employers Insurance of Wausau	Insurance				45,724,300	3	0.29%
Wausau-Mosinee Paper Corporation	Manufacturer of paper products				33,932,100	4	0.22%
Menards Inc.	Retail				25,691,200	6	0.16%
Wal-Mart Properties	Retail				24,545,200	7	0.16%
Wausau Joint Venture	Commercial property/mall				21,983,300	10	0.14%
Totals		\$343,808,300		2.16%	\$321,556,100		2.06%

Northcentral Technical College Equalized Valuation (TID Out)

\$16,025,457,462

\$15,588,110,801

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
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%
2018	20,327,421	14,681,329	72.22%	5,646,092	20,327,421	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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Obligation Debt										
General obligation notes	\$46,220,000	\$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
Debt service fund assets available	(2,977,216)	(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)
Net general obligation debt	\$43,242,784	\$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
Per capita	\$202.15	\$199.37	\$202.89	\$180.54	\$171.46	\$153.29	\$132.33	\$121.61	\$114.06	\$103.41
Per full-time equivalent student	\$14,029.39	\$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
Percent of equalized value	0.26%	0.26%	0.27%	0.24%	0.24%	0.23%	0.19%	0.18%	0.16%	0.15%
Percent of personal income	0.44%	0.44%	0.46%	0.42%	0.41%	0.40%	0.35%	0.34%	0.34%	0.30%
General Obligation and Other Debt										
General obligation notes	\$46,220,000	\$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
Plus deferred premium	1,085,436	1,043,242	846,977	675,454	607,005	554,005	339,765	247,128	125,301	80,834
Plus capital lease obligations						4,773	60,253	112,559	161,870	208,360
General obligation and other debt	\$47,305,436	\$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
Per capita	\$221.14	\$215.74	\$216.11	\$192.33	\$181.27	\$160.59	\$139.98	\$128.17	\$119.78	\$108.98
Per full-time equivalent student	\$15,347.45	\$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
Percent of equalized value	0.28%	0.28%	0.29%	0.26%	0.25%	0.24%	0.20%	0.19%	0.17%	0.16%
Percent of personal income	0.48%	0.48%	0.49%	0.44%	0.43%	0.42%	0.37%	0.36%	0.36%	0.32%

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, 2018

Name of Entity (1)	Net Debt Outstanding	Percent Applicable to District (2)	Outstanding Debt Applicable to District
Clark County	\$2,729,464	27.47 %	\$749,784
Langlade County	3,500,000	68.59	2,400,650
Lincoln County	19,105,000	48.75	9,313,688
Marathon County	5,895,000	96.74	5,702,823
Menominee County	894,010	100.00	894,010
Portage County	5,685,000	4.12	234,222
Price County	2,580,188	100.00	2,580,188
Shawano County	1,395,130	20.40	284,607
Taylor County	2,990,000	80.15	2,396,485
Waupaca County	19,400,000	0.71	137,740
Total Cities	106,539,750	100.00	106,539,750
Total Towns	12,799,069	Varies	12,020,936
Total Villages	47,728,582	100.00	47,728,582
Total School Districts	171,657,243	Varies	171,520,302
Total Sanitary Districts	1,134,261	100.00	1,134,261
Subtotal, overlapping debt			363,638,028
District direct debt			
General Obligation Notes			46,220,000
Deferred Premium			1,085,436
Subtotal, District direct debt			47,305,436
Total direct and overlapping debt			\$410,943,464
2017 equalized valuation - TID In			\$16,871,008,212
Direct, overlapping, and underlying indebtedness as a percentage of equalized valuation			2.44%
Population of District			213,917
Direct and overlapping, indebtedness per capita			\$1,921

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, 2018

Legal Debt Margin Calculation for Fiscal Year 2018

2017 Equalized Valuation - TID In	\$16,871,008,212
	x 5%
Total debt limit - 5% of equalized valuation	843,550,411
Debt applicable to limit:	
General obligation notes	\$46,220,000
Less: debt service funds available (GAAP Basis)	2,977,216
Total amount of debt applicable to debt limit	43,242,784
Legal total debt margin	\$800,307,627

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
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%
2018	843,550,411	43,242,784	800,307,627	5.13%

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 2009 to 2018, 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
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	37,718	35,106	32,865	24,436	35,758	29,982	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	39,844	36,768	34,490	24,251	37,256	31,179	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	40,803	36,846	36,549	25,249	39,978	33,235	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	40,879	37,080	36,868	26,060	39,601	33,662	5.8	7.4	8.2	13.5	6.2	6.6
2014	214,440	134,803	28,816	19,847	4,236	14,155	20,733	9,034,760	42,789	38,452	38,530	25,595	41,829	34,772	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	9,329,676	44,002	40,239	40,474	27,734	43,120	36,069	3.6	4.7	5.6	7.5	4.3	4.7
2016	214,225	135,483	28,787	19,995	4,256	14,086	20,741	9,523,726	45,076	41,410	40,940	27,907	44,123	36,503	2.9	3.9	4.5	6.2	4.2	4.2
2017	214,465	134,943	28,830	20,072	4,248	14,028	20,692	9,722,068	46,176	42,615	41,411	28,081	45,149	36,942	2.4	2.8	3.8	4.4	3.5	3.4
2018	213,917	135,922	28,862	20,131	4,258	14,046	20,746	9,924,800	47,303	43,855	41,888	28,256	46,200	37,387	3.1	3.3	4.3	6.3	4.2	2.7

Notes:

(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.

(. Source: Wisconsin Department of Administration, Demographic Services Center (including 2010 Census).

(. Source: Wisconsin Technical College System (based on Wisconsin Department of Administration Final Population Estimates).

(. Source: U.S. Department of Commerce, Bureau of Economic Analysis.

*Figures for 2017 and 2018 are estimates based on the rate of change from 2015 to 2016, subject to future revision.

(. 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 2017 and 2018 are estimates based on the rate of change from 2015 to 2016, subject to future revision.

(. Source: Wisconsin Department of Workforce Development. 2018 Unemployment rates are through June 30, 2018.

Northcentral Technical College District

Principal Employers

Current Year and Nine Years Ago

Name of Business	County	Type of Business	Year Ended June 30, 2018			Year Ended June 30, 2009		
			Number of Employees	Rank	Percent of District Population	Number of Employees	Rank	Percent of District Population
Ferrellgas	Marathon	Gas/propane refilling station	3,908	1	1.83 %			0.00 %
Aspirus Wausau Hospital Inc.	Marathon	Health care	1,948	2	0.91	2,051	2	0.88
Eastbay Inc.	Marathon	Mail order house	1,500	3	0.70	1,000	10	0.43
Kolbe & Kolbe Millwork	Marathon	Manufacturer of windows/doors	1,400	4	0.65	1,450	3	0.62
Sheet Metal Workers Local 565	Marathon	Labor organization	1,300	5	0.61			
Wausau School District	Marathon	Education	1,288	6	0.60	1,300	4	0.56
UMR (United Healthcare Services)	Marathon	Insurance	1,200	7	0.56			
Wausau Insurance/Liberty Mutual	Marathon	Insurance	1,200	8	0.56	1,000	9	0.43
Church Mutual Insurance Company	Lincoln	Insurance	1,050	9	0.49	533	15	0.23
Marathon Electric Motors	Marathon	Manufacturer of electric motors	1,000	10	0.47			
Aspirus Medford Hospital	Taylor	Health care	880	11	0.41			
Harley Davidson Motor Co.	Lincoln	Manufacturer of motorcycles	840	12	0.39			
Marathon County	Marathon	Government	788	13	0.37			
Nestle Pizza Corporation	Taylor	Manufacturer of frozen pizza	600	14	0.28	400	20	0.17
Drs. Foster & Smith Inc.	Lincoln	Veterinary care services provider	511	15	0.24			
Packaging Corporation of America	Lincoln	Paper mill/manufacturer of corrugated medium	500	16	0.23	430	18	0.18
Marquip Properties LLC	Price	Manufacturer of industrial equipment products	500	17	0.23	1,047	8	0.45
Hurd Windows & Doors, Inc.	Taylor	Manufacturer of windows/doors	500	18	0.23			
Lincoln County	Lincoln	Government	454	19	0.21			
Expera Specialty Solutions	Lincoln	Manufacturer of paper	400	20	0.19			
Greenheck Fan Corporation	Marathon	Manufacturer of industrial fans				2,850	1	1.22
Wausau-Mosinee Paper Corporation	Marathon	Manufacturer of paper products				1,229	5	0.53
Peachtree Companies (SNE Enterprises Inc.)	Marathon	Manufacturer of windows/doors				1,200	6	0.51
Weathershield Manufacturing Inc.	Taylor	Manufacturer of windows/doors				1,200	7	0.51
Marathon Cheese Corporation	Marathon	Cheese packaging				1,000	11	0.43
Lincoln Wood Products	Lincoln	Manufacturer of windows/doors				600	12	0.26
Price County Publications	Price	Publisher of newspapers without printing				600	13	0.26
Aspirus Clinic	Marathon	Health care				553	14	0.24
Merrill Area Common Public School District	Lincoln	Education				500	16	0.21
Memorial Health Center, Inc.	Taylor	Health care				500	17	0.21
Semling-Menke Co. Inc.	Lincoln	Manufacturer of window and door frames				400	19	0.17
Total			21,767		10.18 %	19,843		8.48 %

Source: R.W. Baird & Co. Information provided for top ten largest employers in 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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>District Totals:</u>										
Executive/Administrative/Managerial	70	64	70	61	72	68	69	64	61	57
Faculty	138	140	137	129	121	124	134	147	152	142
Secretarial/Clerical	49	54	49	50	44	50	66	73	79	62
Professional Nonfaculty	33	40	31	36	22	17	21	27	32	22
Technical/Paraprofessional	40	43	44	52	46	46	53	53	44	44
Skilled Craft	8	8	8	9	7	8	7	7	7	7
Service/Maintenance	5	5	4	4	6	6	8	16	12	7
District Total	343	354	343	341	318	319	358	387	387	341

Sources:

2013-2018 NTC Human Resources Office

2009-2012 WTCS State Office

Northcentral Technical College District

Enrollment Statistics Historical Comparisons Last Ten Fiscal Years

	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
Student enrollment:										
Associate degree	31,654	32,168	32,940	32,733	33,582	33,364	32,702	33,672	31,250	24,554
Vocational:										
Diploma	3,298	3,151	3,302	3,133	3,353	4,656	4,254	4,497	4,115	4,499
Adult	11,894	11,883	12,682	12,250	11,606	14,126	12,181	12,914	14,870	17,202
Basic education	12,412	13,738	14,174	12,217	16,005	14,993	15,638	16,031	17,047	16,706
Total duplicated	59,258	60,940	63,098	60,333	64,546	67,139	64,775	67,114	67,282	62,961
Total unduplicated (A)	31,263	31,287	33,193	23,958	24,766	26,466	24,745	25,712	27,039	27,060
Full-time equivalent (B):										
Associate degree	2,343.6	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
Vocational:										
Diploma	214.4	207.8	236.2	244.9	289.9	399.9	354.0	360.0	330.4	355.7
Adult	121.3	97.2	122.1	113.2	111.0	105.2	104.4	111.8	134.4	150.3
Basic education	403.0	449.5	460.1	409.9	521.4	492.3	489.5	526.9	575.3	571.3
Total unduplicated	3,082.3	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

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)
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
2018	47,961,477	(1.13)	3,082	(4.94)	15,562	4.01

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
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
2016-2017	1545	1079	663	95%	83%	68%	3,411

Notes:

(1) Based on a survey of NTC graduates conducted approximately six months after graduation; therefore, 2017-2018 statistics are not available. Statistics 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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
NTC - Wausau:										
Main building	330,370	330,370	330,370	326,370	323,745	322,305	322,305	322,305	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	485,576	481,576	478,951	477,511	477,511	477,511	462,929	462,929
NTC - Antigo Campus	74,515	74,515	74,515	74,515	74,515	74,515	74,515	74,515	47,170	47,170
NTC - Phillips Campus	29,600	29,600	29,600	29,600	29,600	17,500	17,500	17,500	17,500	12,500
NTC - Spencer Campus	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	8,400	
NTC - Merrill Campus	27,176	27,176	19,136	19,136	19,136	19,136	17,552	13,846	9,488	9,488
NTC - Wittenberg Campus	2,291	2,291	2,291	1,631						
Agriculture Center of Excellence	33,825	28,835	28,835	28,835	22,633	22,633	22,633			
Diesel Building	9,000	9,000								
CDL Building	3,066									
Sub-Total	189,073	181,017	163,977	163,317	155,484	143,384	141,800	115,461	82,558	69,158
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
NTC - Wittenberg Campus					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	6,000						
Sub-Total	18,500	18,500	27,500	27,500	22,100	22,100	22,100	22,100	22,100	29,600
Total square footage	693,149	685,093	677,053	672,393	656,535	642,995	641,411	615,072	567,587	561,687

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 2018 & 2017

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

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 Northcentral Technical College District as of and for the year ended June 30, 2018, 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 3, 2018.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 3, 2018
Rhinelander, 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 (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Wisconsin 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, 2018. 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 federal and state Statutes, regulations, and the terms and conditions of its federal and state 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 of Wisconsin 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 on Each Major Federal and State Program

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, 2018.

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 each major federal and 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 of Wisconsin 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 in internal control over compliance 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 on internal control over compliance 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 of Wisconsin Single Audit Guidelines*. Accordingly, this report 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 3, 2018
Rhineland, Wisconsin

Northcentral Technical College District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2018

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:

CFDA Number

Name of Federal Program or Cluster

84.007

84.033

84.063

84.268

Student Financial Aid Cluster:

Federal Supplemental Educational

Opportunity Grants

Federal Work Study Program

Federal Pell Grant Program

Federal 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, 2018

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 of Wisconsin Single Audit Guidelines*?

No

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program</u>
235.102	Higher Education Grant
235.114	Talent Incentive Program
292.105	General State Aids
292.162	Property Tax Relief Aids
445.107	Local Youth Apprenticeship

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, 2018

Section V - Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?

No

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 of Wisconsin 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 Children and Families

No

Department of Transportation

No

Department of Revenue

No

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

No

Name and signature of partner



Rob Ganschow, CPA, CFE

Date

December 3, 2018

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.