



Northcentral
TECHNICAL COLLEGE

2019

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**



**YEARS ENDED
JUNE 30, 2019 & 2018**

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

Northcentral Technical College District

Comprehensive Annual Financial Report

Years Ended June 30, 2019 and 2018

Table of Contents

Introductory Section

| | |
|--|----|
| Letter of Transmittal..... | 2 |
| District Board of Trustees and College Leadership..... | 8 |
| Map..... | 11 |
| GFOA - Certificate of Achievement for Excellence in Financial Reporting..... | 12 |

Financial Section

| | |
|---|----|
| Independent Auditor's Report..... | 14 |
| Management's Discussion and Analysis..... | 17 |

Financial Statements

| | |
|--|----|
| Statements of Net Position..... | 29 |
| Statements of Revenues, Expenses, and Changes in Net Position..... | 30 |
| Statements of Cash Flows..... | 31 |
| Notes to Financial Statements..... | 33 |

Required Supplementary Information

| | |
|---|----|
| Schedule of Changes in the Employer's Total Other Postemployment Benefit (OPEB) Liability and Related Ratios - District OPEB Plan..... | 64 |
| Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System..... | 65 |

Supplementary Information

| | |
|---|----|
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund..... | 67 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Special Revenue Aidable Fund..... | 68 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Special Revenue Non-Aidable Fund..... | 69 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Capital Projects Fund..... | 70 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Debt Service Fund..... | 71 |
| Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual (Non-GAAP Budgetary Basis) - Enterprise Fund..... | 72 |
| Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual (Non-GAAP Budgetary Basis) - Internal Service Fund..... | 73 |
| Notes to Budgetary Comparison Schedules..... | 74 |
| Schedule of Expenditures of Federal Awards..... | 77 |
| Schedule of Expenditures of State Awards..... | 79 |
| Notes to Schedules of Expenditures of Federal and State Awards..... | 81 |

Northcentral Technical College District

Comprehensive Annual Financial Report

Years Ended June 30, 2019 and 2018

Table of Contents (Continued)

Statistical Section

Financial Trends

| | |
|--------------------------------|----|
| Net Position by Component..... | 85 |
| Changes in Net Position..... | 86 |

Revenue Capacity

| | |
|--|----|
| Distribution of Real Property Value on an Equalized Basis..... | 87 |
| Direct and Overlapping Property Tax Rates..... | 88 |
| Principal Property Taxpayers..... | 93 |
| Property Tax Levies and Collections..... | 94 |

Debt Capacity

| | |
|--|----|
| Schedule of Ratios of Outstanding Debt..... | 95 |
| Computation of Direct and Overlapping Debt | 96 |
| Legal Debt Margin Information..... | 97 |

Demographic and Economic Information

| | |
|--|----|
| Demographic Statistics for Marathon, Lincoln, Langlade, Menominee, Price, and Taylor Counties - Historical Comparisons..... | 98 |
| Principal Employers..... | 99 |

Operating Information

| | |
|---|-----|
| Full-Time Employees by Equal Opportunity Classification..... | 100 |
| Enrollment Statistics - Historical Comparisons | 101 |
| Operational Expenditures Per Full-Time Equivalent (FTE) Student | 102 |
| Program Graduate Follow-Up Statistics..... | 103 |
| Square Footage of District Facilities..... | 104 |

Single Audit Section

| | |
|---|-----|
| 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..... | 106 |
| Independent Auditor's Report on Compliance For Each Major Federal and State Program and on Internal Control Over Compliance..... | 108 |
| Schedule of Findings and Questioned Costs..... | 110 |

Individuals Responsible for Preparing the CAFR

Roxanne Lutgen, MBA, JD, CPA, CGMA, Vice President of Finance and General Counsel
Stefanie Ganser, Controller
Sara Melk, College Advancement and Special Revenue Fund Controller

INTRODUCTORY SECTION

YEARS ENDED 2019 & 2018
COMPREHENSIVE
ANNUAL FINANCIAL REPORT

November 25, 2019

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, 2019, 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, 2019. 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 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. 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 2019, 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 13.4 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, 2019. 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

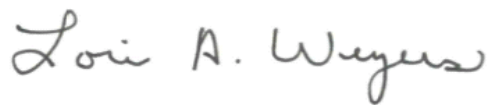
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northcentral Technical College for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the 23rd consecutive 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.

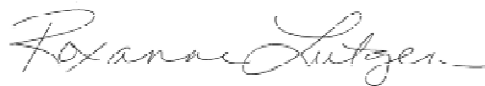
Acknowledgment

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, CGMA
Vice President, Finance and General Counsel

NORTHCENTRAL TECHNICAL COLLEGE DISTRICT

Wausau, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

MEMBERS OF THE BOARD



Tom Felch
Chairperson



Paul Proulx
Vice Chairperson



Maria Volpe
Secretary/Treasurer



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; Dr. Darren Ackley, Vice President for Learning; Roxanne Lutgen, Vice President of Finance and General Counsel; 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, CGMA, Vice President of Finance and General Counsel

Stefanie Ganser, Controller

Sara Melk, College Advancement and Special Revenue Fund Controller

**Northcentral Technical College District
Board Members**

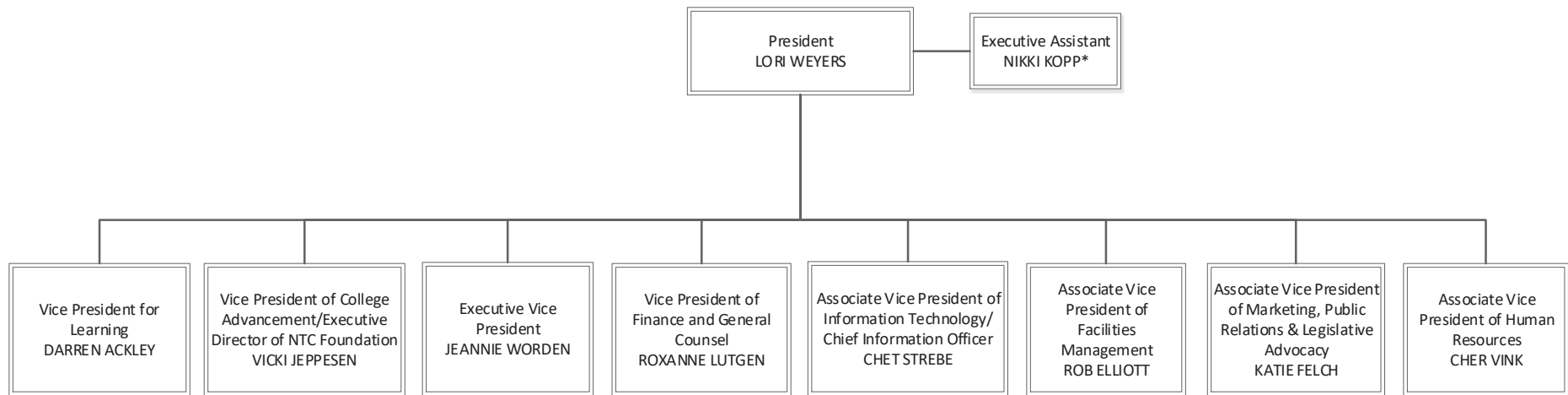
June 30, 2019

| <u>Board Member</u> | <u>Member Category</u> | <u>Term Expires</u> | <u>Employer</u> |
|---|-------------------------------|---------------------|---|
| Tom Felch <i>Chairperson</i> | Additional Member | 6/30/20 | President J&D Tube Benders, Inc. |
| Paul Proulx <i>Vice Chairperson</i> | Elected Official | 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 |
| VACANT | Employer Member | 6/30/19 | |
| 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 two (2) Employer members; two (2) Employee members; three (3) Additional members; one (1) Elected Official 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, make 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

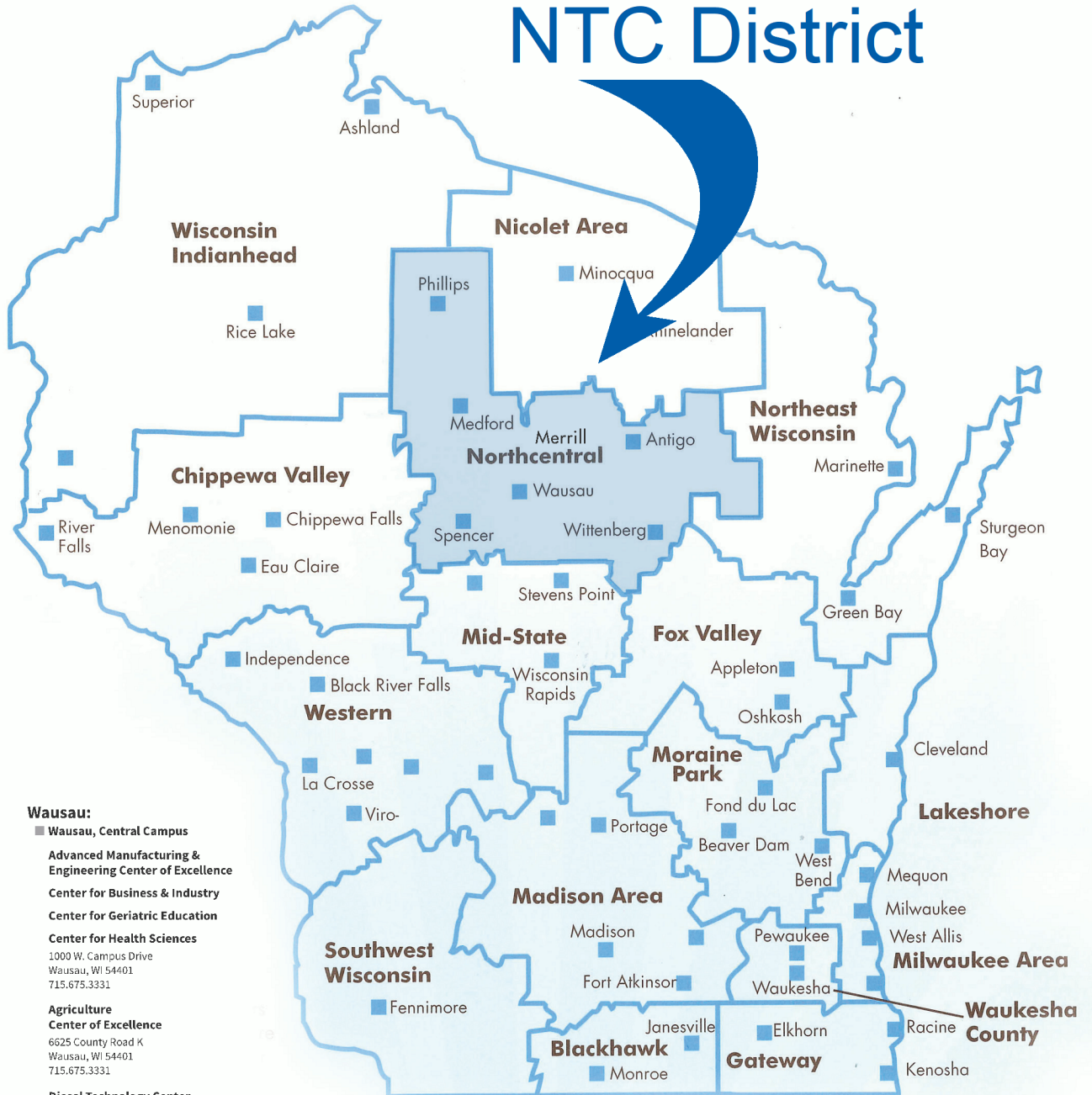


*Provides administrative support to Executive Vice President

The President's Executive
Leadership Team (ELT)
10/1/2019



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

Phillips:
 ■ Phillips, North Campus
 1408 Pine Ridge Road
 Phillips, WI 54555
 715.339.4555

Spencer:
 ■ Spencer, Southwest Campus
 808 N. Pacific Street
 Spencer, WI 54479
 715.659.5120

Wausau:
 ■ Wausau, Central Campus
Advanced Manufacturing & Engineering Center of Excellence
Center for Business & Industry
Center for Geriatric Education
Center for Health Sciences
 1000 W. Campus Drive
 Wausau, WI 54401
 715.675.3331

Agriculture Center of Excellence
 6625 County Road K
 Wausau, WI 54401
 715.675.3331

Diesel Technology Center
 3353 Geischen Dr
 Wausau, WI 54401
 715.675.3331

Wittenberg:
 ■ Wittenberg, Southeast Campus
 402 N. Genesee Street, Suite 3
 Wittenberg, WI 54499
 715.253.3500

➔ For more location information visit www.ntc.edu



Government Finance Officers Association

**Certificate of
Achievement
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in Financial
Reporting**

Presented to

**Northcentral Technical College District
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

YEARS ENDED 2019 & 2018

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, 2019 and 2018, 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, 2019 and 2018, 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 27, the schedule of changes in total other postemployment benefit (OPEB) liability and related ratios and the schedules of the employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System on pages 64 and 65 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 of Wisconsin 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 November 25, 2019, 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.

Handwritten signature of Wipfli LLP in black ink.

Wipfli LLP

November 25, 2019
Rhineland, Wisconsin

Management's Discussion and Analysis

Northcentral Technical College District

Management's Discussion and Analysis

Year Ended June 30, 2019

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 position, and assists the reader of these financial statements in focusing on noteworthy financial issues for the years ended June 30, 2019 and 2018.

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:

| | 2019 | Increase or (Decrease) % | 2018 | Increase or (Decrease) % | 2017 |
|--------------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|----------------------|
| Operating revenues: | | | | | |
| Student fees | \$ 5,763,802 | 5.2 | \$ 5,480,708 | 2.2 | \$ 5,362,048 |
| Federal grants | 7,286,073 | (4.5) | 7,627,080 | (16.1) | 9,096,043 |
| State grants | 3,936,707 | (15.5) | 4,656,697 | 2.4 | 4,545,926 |
| Contract revenues | 4,406,754 | 16.8 | 3,772,680 | 25.5 | 3,006,216 |
| Auxiliary revenues | 2,238,015 | (10.2) | 2,492,635 | (6.6) | 2,669,422 |
| Miscellaneous | 1,031,396 | (2.5) | 1,057,390 | (28.2) | 1,473,424 |
| Total operating revenues | 24,662,747 | (1.7) | 25,087,190 | (4.1) | 26,153,079 |
| Nonoperating revenues: | | | | | |
| Property taxes | 20,814,911 | 2.5 | 20,309,237 | 2.9 | 19,742,496 |
| State appropriations | 18,998,416 | (2.0) | 19,387,371 | 0.7 | 19,254,123 |
| Investment income | 567,567 | 95.2 | 290,732 | 129.3 | 126,786 |
| Gain on disposal of capital assets | 8,105 | 100.0 | | | |
| Total nonoperating revenues | 40,388,999 | 1.0 | 39,987,340 | 2.2 | 39,123,405 |
| Total revenues | 65,051,746 | (0.04) | 65,074,530 | (0.3) | 65,276,484 |
| Operating expenses: | | | | | |
| Instruction | 32,330,976 | 3.8 | 31,146,729 | 0.6 | 30,969,598 |
| Instructional resources | 2,107,388 | (7.0) | 2,264,889 | 24.3 | 1,822,605 |
| Student services | 4,225,084 | 5.4 | 4,008,962 | (2.5) | 4,113,066 |
| General institutional | 11,518,850 | 0.8 | 11,426,340 | (8.8) | 12,527,972 |
| Physical plant | 4,537,471 | 7.1 | 4,235,123 | (4.0) | 4,409,893 |
| Auxiliary enterprise services | 2,271,546 | (8.6) | 2,484,925 | (17.9) | 3,027,776 |
| Depreciation | 9,046,710 | 5.1 | 8,604,521 | (28.5) | 12,027,408 |
| Student aid | 2,179,836 | 29.9 | 1,678,198 | 4.5 | 1,606,644 |
| Total operating expenses | 68,217,861 | 3.6 | 65,849,687 | (6.6) | 70,504,962 |
| Nonoperating expenses: | | | | | |
| Loss on disposal of capital assets | | (100.0) | 2,641 | (99.7) | 797,071 |
| Interest expense | 1,003,886 | 71.2 | 586,501 | (2.7) | 602,618 |
| Total nonoperating expenses | 1,003,886 | 70.4 | 589,142 | (57.9) | 1,399,689 |
| Total expenses | 69,221,747 | 4.2 | 66,438,829 | (7.6) | 71,904,651 |
| Decrease in net position | (4,170,001) | <u>205.7</u> | (1,364,299) | <u>(79.4)</u> | (6,628,167) |
| Net position - Beginning of the year | 50,306,785 | | 51,671,084 | | 58,299,251 |
| Net position - End of year | \$ 46,136,784 | | \$ 50,306,785 | | \$ 51,671,084 |

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

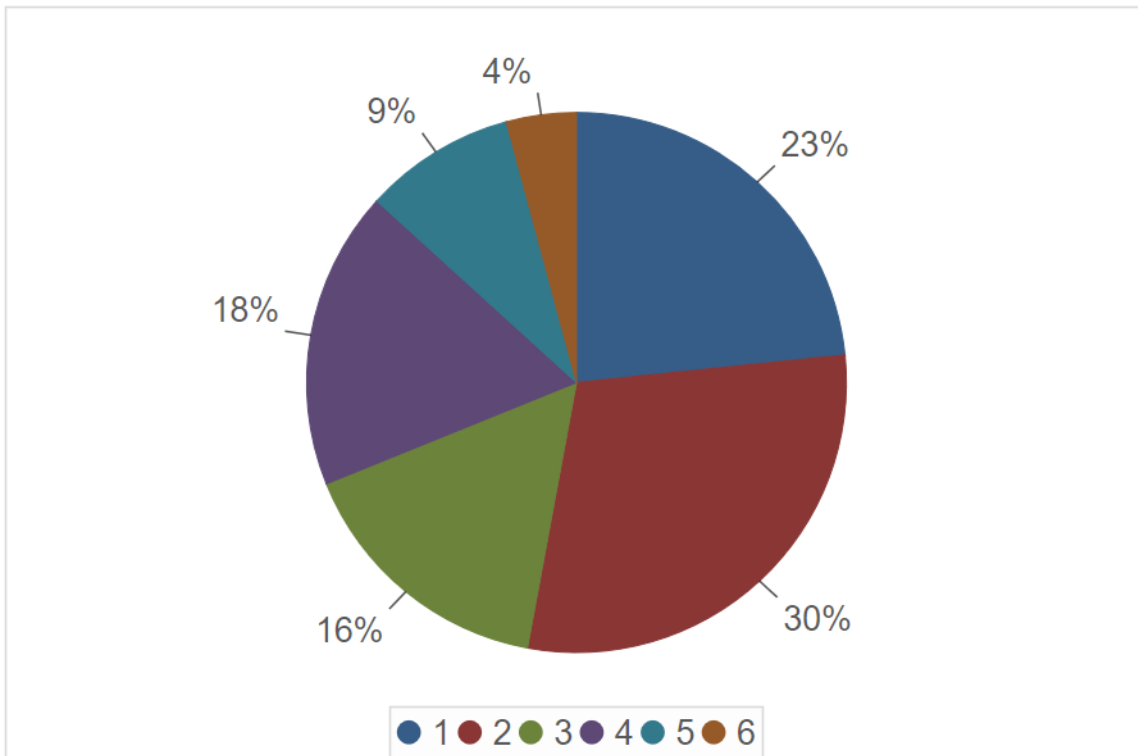
Some of the noteworthy results of operations for the current year are reflected below:

Operating revenues are the charges for services offered by the College. During 2019, the College generated \$24.7 million of operating revenues for the offering of services, down 1.7% from 2018 (\$25.1 million), which was down 4.1% from 2017 (\$26.2 million). Significant items and revenue sources are as follows:

- Student fees increased to \$5.8 million in fiscal year 2019, compared to \$5.5 million in 2018 and \$5.4 million in 2017. Total revenues from program, material, and other student fees were approximately \$10.4 million, down 4.6% before scholarship allowances.
- Nearly \$11.2 million in operating revenues from state and federal grants were earned by the District during the year, compared to \$12.3 million in 2018 and \$13.6 million in 2017. The fluctuation in federal revenue, a 4.5% decrease in 2019 was due to reductions in Federal grant funding, including Federal financial aid, primarily Pell grant and Stafford loan dollars. The 15.5% decrease in state revenue in 2019 was due to decreased Wisconsin Technical College System grant dollars awarded and decreased funding received for the Local Youth Apprenticeship Program.
- Contract revenues of \$4.4 million for the year represent revenues from instructional and technical assistance contracts with businesses and industries as well as local school districts. The 16.8% 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 \$2.2 million this year, a decrease of 10.2% from the prior year. Reductions were due to a decline in campus store and campus cafe revenues, a decline in self-funded health revenues and the closure of the motor pool.
- Miscellaneous revenue decreased 2.5% in 2019 to nearly \$1 million, which had decreased 28.2% in the prior fiscal year. This revenue category includes rental income, commissions, and donations; NTC saw a decline in commission revenue in 2019.

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 | \$ 5,763,802 | 23 % |
| 2 - Federal grants | 7,286,073 | 30 % |
| 3 - State grants | 3,936,707 | 16 % |
| 4 - Contract revenues | 4,406,754 | 18 % |
| 5 - Auxiliary revenues | 2,238,015 | 9 % |
| 6 - Miscellaneous | 1,031,396 | 4 % |

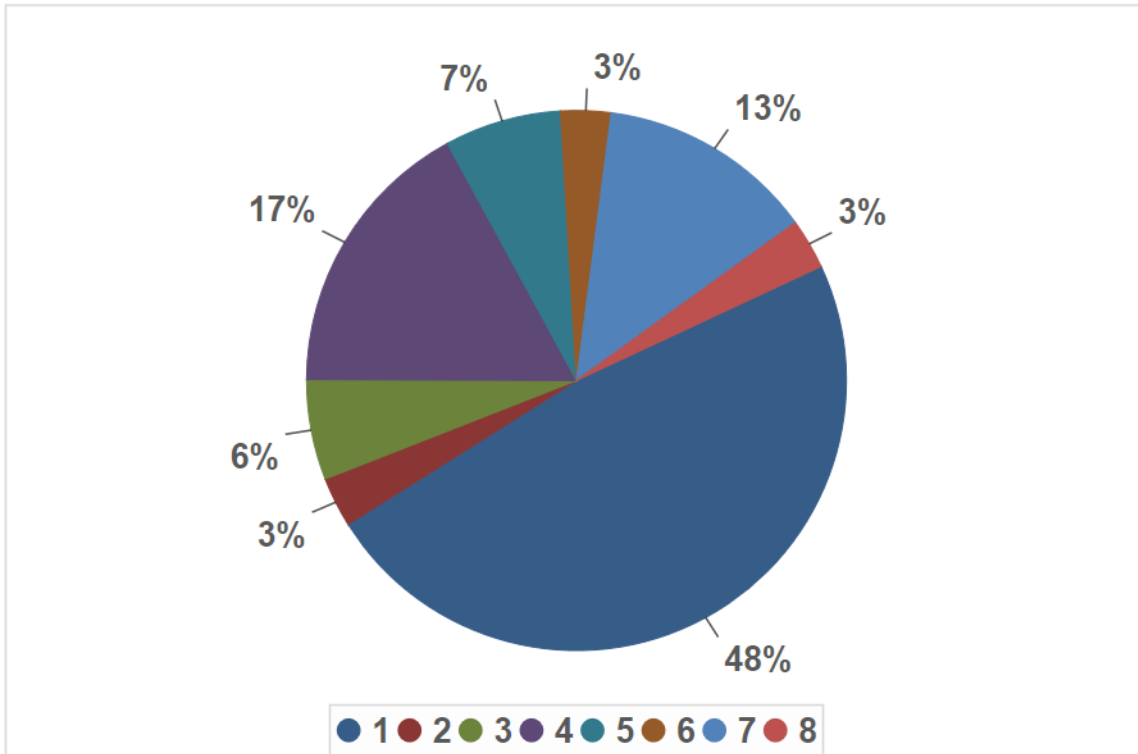
Operating expenses are costs related to offering the programs of the District. During 2019, operating expenses totaled over \$68.2 million, up from \$65.85 million in 2018. The majority of the District's expenses, about 62%, are for personnel related costs. Other major types of expenses include supplies and minor equipment (6%), contracted services (9%), 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 7% of total operating expenses. (See Note 13 to the Financial Statements for further details.)

- Salaries increased \$335,497 or 1.16% in 2019 and decreased \$300,031 or 1.03% in 2018.
- Employee benefit expenses increased \$1,496,639 or 13.3% in 2019 and decreased \$376,269 or 3.2% in 2018.
- NTC experienced decreased costs related to travel, memberships and subscriptions, supplies and minor equipment, postage, printing and advertising, contracted services, and utilities.

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

- NTC saw an increase in costs related to repairs and maintenance, rentals, insurance, depreciation, and student aid.
- Student financial aid awards (excluding student loans) increased 32.3% in 2019, due to an increase in Wisconsin Higher Education Grants awarded and increased State Talent Incentive Program (TIP) grant funding.

The graph below categorized operating expenses by function.



| Expenses: | Amount | % of Total |
|-----------------------------------|---------------|------------|
| 1 - Instruction | \$ 32,330,976 | 48 % |
| 2 - Instructional resources | 2,107,388 | 3 % |
| 3 - Student services | 4,225,084 | 6 % |
| 4 - General institutional | 11,518,850 | 17 % |
| 5 - Physical plant | 4,537,471 | 7 % |
| 6 - Auxiliary enterprise services | 2,271,546 | 3 % |
| 7 - Depreciation | 9,046,710 | 13 % |
| 8 - Student aid | 2,179,836 | 3 % |

Nonoperating revenues and expenses are items not directly related to providing instruction. Net nonoperating revenues for the year ended June 30, 2019, 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 \$20.8 million, a 2.5% or \$505,674 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 2.9% 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 million in revenues in 2019, down from \$19.4 million in 2018, which had increased from \$19.3 million in 2017.
- Investment income was up 95.2% or \$276,835 during 2019. Investment income saw an increase of 129.3%, amounting to \$163,946 during 2018.
- Interest expense of \$1,003,886 was recorded by the District this year, up 71.2% from \$586,501 in 2018, which decreased 2.7% from \$602,618 in 2017.
- Net position at June 30, 2019, was \$46,136,784 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.

| | 2019 | Increase or (Decrease) % | 2018 | Increase or (Decrease) % | 2017 |
|---|-------------------|--------------------------------|---------------------|--------------------------------|---------------------|
| Cash used in operating activities | \$ (32,965,979) | 7.0 | \$ (30,798,969) | 2.5 | \$ (30,042,844) |
| Cash provided by noncapital financing activities | 39,513,027 | (0.4) | 39,658,203 | 1.6 | 39,021,710 |
| Cash used in capital and related financing activities | (6,696,126) | (15.4) | (7,913,214) | (21.2) | (10,044,659) |
| Cash provided by investing activities | 567,571 | 95.2 | 290,732 | 129.3 | 126,786 |
| Net increase (decrease) in cash and cash equivalents | <u>\$ 418,493</u> | | <u>\$ 1,236,752</u> | | <u>\$ (939,007)</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 \$28.0 million was paid in 2019, as compared to \$27.0 million in 2018, and \$33.7 million in 2017.
- Another significant component of operating cash flows is payments to employees. The District paid \$29.6 million in salaries/wages and benefits in 2019 (\$29.6 in 2018 and \$22.9 million in 2017).
- The largest cash inflows from operating activities included \$5.8 million in student fees and \$11.1 million in state and federal grants, as compared to \$5.6 million and \$12.9 million, respectively in 2018, and \$5.3 million and \$14.0 million, respectively in 2017.

Statement of Cash Flows (Continued)

- All property taxes received, almost \$20.5 million this year, are categorized as cash flows from noncapital financing activities (\$20.3 million in 2018 and \$19.8 million in 2017). The other major item in this category is state appropriations, which accounted for \$19.0 million of positive cash flow (\$19.4 million in 2018 and \$19.3 million in 2017).
- 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 \$418,493 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:

| | 2019 | <u>Increase or (Decrease)</u> % | 2018 | <u>Increase or (Decrease)</u> % | 2017 |
|---------------------------------------|-----------------------|--|-----------------------|--|-----------------------|
| Assets: | | | | | |
| Cash and cash equivalents | \$ 39,659,377 | 1.1 | \$ 39,240,884 | 3.3 | \$ 38,004,132 |
| Net capital assets | 56,133,873 | (0.2) | 56,268,446 | (0.1) | 56,342,952 |
| Other assets | 9,133,767 | (35.1) | 14,063,930 | 49.8 | 9,390,625 |
| Total assets | \$ 104,927,017 | (4.2) | \$ 109,573,260 | 5.6 | \$ 103,737,709 |
| Deferred outflows of resources | \$ 16,639,138 | 68.1 | \$ 9,896,486 | (14.8) | \$ 11,619,983 |
| Liabilities: | | | | | |
| Other liabilities | \$ 4,488,741 | (13.9) | \$ 5,215,325 | 14.6 | \$ 4,550,757 |
| Noncurrent liabilities | 61,902,748 | 16.5 | 53,142,747 | (2.4) | 54,447,932 |
| Total liabilities | \$ 66,391,489 | 13.8 | \$ 58,358,072 | (1.1) | \$ 58,998,689 |
| Deferred inflows of resources | \$ 9,037,882 | (16.4) | \$ 10,804,889 | 130.5 | \$ 4,687,919 |
| Net position: | | | | | |
| Net investment in capital assets | \$ 21,759,852 | (9.8) | \$ 24,122,258 | (1.5) | \$ 24,480,899 |
| Restricted - Debt service | 9,422,746 | 13.3 | 8,317,949 | (11.4) | 9,388,527 |
| Unrestricted | 14,954,186 | (16.3) | 17,866,578 | 0.4 | 17,801,658 |
| Total net position | \$ 46,136,784 | (8.3) | \$ 50,306,785 | (2.6) | \$ 51,671,084 |

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, 2019, was approximately \$122.1 million and \$66.0 million, respectively. Capital assets at June 30, 2018, were \$121.7 million, with \$65.4 million accumulated depreciation and capital assets at June 30, 2017, were \$116.5 million, with accumulated depreciation of \$60.2 million.
- The other assets category is primarily made up of various accounts receivable balances, the largest being property taxes receivable of over \$5.9 million (\$5.6 million in 2018 and \$5.6 million in 2017).
- Deferred outflows of resources include Wisconsin Retirement System (differences between expected and actual experience, differences between projected and actual earnings on pension plan investments, changes in assumptions, and employer contributions subsequent to measurement date) and Other Post Employment Benefits (employer contributions subsequent to measurement date, differences between expected and actual experience, and changes in assumptions).
- 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.
- Deferred inflows of resources include Wisconsin Retirement System (differences between expected and actual experience) and Other Post Employment Benefits (changes in assumptions or other inputs).

Capital Assets and Debt Administration

The District's investment in capital assets as of June 30, 2019, amounts to \$56,133,873 (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 2018-2019. General maintenance projects totaled approximately \$158,000 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 Parking Improvements – A Handicap & CBI Lots, \$257,000 and Building E Roof Replacement, \$360,000.

Other remodeling projects completed on the Wausau campus included the Timberwolf Learning Commons renovations, \$158,000, furniture, \$53,000, IT and smart classroom equipment, \$81,000; Center for Health Sciences (CHS) renovations, \$214,000, furniture, \$32,000, IT and smart classroom equipment, \$234,000; and CHS Auditorium renovations, \$775,000, furniture, \$69,000, IT and smart classroom equipment, \$316,000.

Statement of Net Position (Continued)

Projects completed at regional campuses include the Agricultural Center Science Classroom Remodel, \$258,000; Agriculture Center Additions, Barn & Classroom, \$1,087,000; Agricultural Campus Projects, including Equipment Repair Shop Renovation, Electrical Service Upgrade, Generator, and Barn Fans, \$282,000; Merrill Candidate Physical Ability Test (CPAT) Building Addition, \$599,000; Merrill Commercial Driver's License (CDL) Training Building renovations, \$688,000, IT and smart classroom equipment, \$100,000; Gas Utility – Agriculture Center Concrete Pavement Project, \$268,000; Grounds Improvement for Canvas Storage Structure, \$66,000, and \$211,000 for the Storage Structure, itself, and Access Land Purchase for CDL Track in Merrill, \$16,000.

Overall, the District spent approximately \$400,000 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 \$3,200,000 on hardware, software, servers, data cabling, consulting, and other IT-related items, nearly \$500,000 on additional High Definition (HD) Videoconferencing and Smart Classrooms, and \$35,000 on cameras and other security-related equipment throughout the College, including \$316,000 of IT equipment related to the Antigo Disaster Recovery Site. Also, the College spent approximately \$1,700,000 on general instructional-related equipment and \$400,000 on instructional equipment for multiple areas, funded by various grants.

At fiscal year-end, NTC had several remodeling projects in progress, including the Antigo Disaster Recovery Site, Merrill CDL Parking Lot Resurface, Merrill CDL Track, Electrical Power Distribution Program Building Improvements, Wausau esports Renovation & Equipment, F Building Reconfiguration, Building H6 Roof Replacement, Salon/Spa Renovation, Culinary Addition, CHS Data Room Cooling Installation, and additional CHS Improvements. Other projects in progress at the end of the year are Smart Classroom, Interactive Video Classroom (IVC) and IT equipment installations. Instructional purchasing in progress at fiscal year-end includes the Culinary Arts Food Trailer. Construction in progress at fiscal year-end totaled approximately \$1,085,000. 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 2019 fiscal year, the District had total general obligation debt outstanding of \$48,900,000. 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 2019. 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.

Statement of Net Position (Continued)

Economic Factors

Wisconsin continues to see historically low unemployment rates. Wisconsin's seasonally adjusted unemployment rate for August 2019 was 3.1 percent, lower than the national unemployment rate by 0.6%.

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 13.4 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, 2019 and 2018

| <i>Assets and Deferred Outflows of Resources</i> | 2019 | 2018 |
|--|-----------------------|-----------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 39,659,377 | \$ 39,240,884 |
| Property taxes receivable | 5,946,393 | 5,646,092 |
| Accounts and other receivables - Net | 2,755,389 | 2,695,353 |
| Inventories | 293,145 | 376,100 |
| Prepaid expenses | 138,840 | 71,043 |
| Total current assets | 48,793,144 | 48,029,472 |
| Noncurrent assets: | | |
| Net pension asset | | 5,275,342 |
| Capital assets not being depreciated | 2,213,759 | 4,374,072 |
| Capital assets being depreciated | 119,892,156 | 117,317,799 |
| Less - Accumulated depreciation | (65,972,042) | (65,423,425) |
| Total noncurrent assets | 56,133,873 | 61,543,788 |
| Total assets | 104,927,017 | 109,573,260 |
| Deferred outflows of resources: | | |
| Related to OPEB - District OPEB plan | 782,974 | 1,266,454 |
| Related to pensions | 15,856,164 | 8,630,032 |
| Total deferred outflows of resources | 16,639,138 | 9,896,486 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 121,566,155 | \$ 119,469,746 |
| <i>Liabilities, Deferred Inflows of Resources, and Net Position</i> | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,549,450 | \$ 2,582,077 |
| Accrued liabilities: | | |
| Payroll, payroll taxes, and insurance | 1,088,873 | 1,100,365 |
| Interest | 353,630 | 321,466 |
| Due to student and other organizations | 918,239 | 645,778 |
| Unearned revenue | 578,549 | 565,639 |
| Current portion of long-term obligations | 11,404,836 | 8,829,597 |
| Total current liabilities | 15,893,577 | 14,044,922 |
| Noncurrent liabilities: | | |
| Notes payable | 39,069,914 | 38,485,436 |
| Compensated absences | 14,996 | 16,517 |
| Total OPEB liability - District OPEB plan | 5,196,105 | 5,811,197 |
| Net pension liability | 6,216,897 | |
| Total noncurrent liabilities | 50,497,912 | 44,313,150 |
| Total liabilities | 66,391,489 | 58,358,072 |
| Deferred inflows of resources: | | |
| Related to OPEB - District OPEB plan | 471,618 | 400,023 |
| Related to pensions | 8,566,264 | 10,404,866 |
| Total deferred inflows of resources | 9,037,882 | 10,804,889 |
| Net position: | | |
| Net investment in capital assets | 21,759,852 | 24,122,258 |
| Restricted - Debt service | 9,422,746 | 8,317,949 |
| Unrestricted | 14,954,186 | 17,866,578 |
| Total net position | 46,136,784 | 50,306,785 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | \$ 121,566,155 | \$ 119,469,746 |

See accompanying notes to financial statements.

Northcentral Technical College District

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2019 and 2018

| | 2019 | 2018 |
|--|----------------------|----------------------|
| Operating revenues: | | |
| Student program fees, net of scholarship allowances of \$4,089,326 and \$4,767,572, respectively | \$ 4,856,036 | \$ 4,702,937 |
| Student material fees, net of scholarship allowances of \$190,521 and \$234,803, respectively | 356,349 | 346,263 |
| Other student fees, net of scholarship allowances of \$343,845 and \$410,948, respectively | 551,417 | 431,508 |
| Federal grants | 7,286,073 | 7,627,080 |
| State grants | 3,936,707 | 4,656,697 |
| Business and industry contract revenues | 3,685,269 | 3,029,511 |
| School district contract revenues | 721,485 | 743,169 |
| Auxiliary enterprise revenues | 2,238,015 | 2,492,635 |
| Miscellaneous | 1,031,396 | 1,057,390 |
| Total operating revenues | 24,662,747 | 25,087,190 |
| Operating expenses: | | |
| Instruction | 32,330,976 | 31,146,729 |
| Instructional resources | 2,107,388 | 2,264,889 |
| Student services | 4,225,084 | 4,008,962 |
| General institutional | 11,518,850 | 11,426,340 |
| Physical plant | 4,537,471 | 4,235,123 |
| Auxiliary enterprise services | 2,271,546 | 2,484,925 |
| Depreciation | 9,046,710 | 8,604,521 |
| Student aid | 2,179,836 | 1,678,198 |
| Total operating expenses | 68,217,861 | 65,849,687 |
| Operating loss | (43,555,114) | (40,762,497) |
| Non-operating revenues (expenses): | | |
| Property taxes | 20,814,911 | 20,309,237 |
| State operating appropriations | 18,998,416 | 19,387,371 |
| Gain (loss) on disposal of capital assets | 8,105 | (2,641) |
| Investment income | 567,567 | 290,732 |
| Interest expense | (1,003,886) | (586,501) |
| Net non-operating revenues (expenses) | 39,385,113 | 39,398,198 |
| Change in net position | (4,170,001) | (1,364,299) |
| Net position at beginning of year | 50,306,785 | 51,671,084 |
| Net position at end of year | \$ 46,136,784 | \$ 50,306,785 |

See accompanying notes to financial statements.

Northcentral Technical College District

Statements of Cash Flows

Years Ended June 30, 2019 and 2018

| | 2019 | 2018 |
|--|---------------|---------------|
| Increase (decrease) in cash and cash equivalents: | | |
| Cash flows from operating activities: | | |
| Tuition and fees received | \$ 5,799,018 | \$ 5,557,294 |
| Federal and state grants received | 11,137,939 | 12,926,386 |
| Business, industry, and school district contract revenues received | 4,454,534 | 3,578,887 |
| Payments to employees | (29,631,781) | (29,590,352) |
| Payments to suppliers | (28,222,281) | (26,996,305) |
| Auxiliary enterprise revenues received | 2,192,735 | 2,467,708 |
| Other receipts | 1,303,857 | 1,257,413 |
| Net cash used in operating activities | (32,965,979) | (30,798,969) |
| Cash flows for noncapital financing activities: | | |
| Local property taxes received | 20,514,611 | 20,270,832 |
| State appropriations received | 18,998,416 | 19,387,371 |
| Net cash provided by noncapital financing activities | 39,513,027 | 39,658,203 |
| Cash flows from capital and related financing activities: | | |
| Purchases of capital assets | (8,932,881) | (8,490,394) |
| Proceeds from sale of capital assets | 49,000 | 44,001 |
| Proceeds from issuance of capital debt | 12,001,439 | 11,868,309 |
| Debt issuance costs paid | (42,561) | (48,451) |
| Principal paid on capital debt | (8,820,000) | (10,505,000) |
| Interest paid on capital debt | (951,123) | (781,679) |
| Net cash used in capital and related financing activities | (6,696,126) | (7,913,214) |
| Cash flows from investing activities - Investment income received | 567,571 | 290,732 |
| Net increase in cash and cash equivalents | 418,493 | 1,236,752 |
| Cash and cash equivalents at beginning of year | 39,240,884 | 38,004,132 |
| Cash and cash equivalents at end of year | \$ 39,659,377 | \$ 39,240,884 |

Northcentral Technical College District

Statements of Cash Flows (Continued)

Years Ended June 30, 2019 and 2018

| | 2019 | 2018 |
|---|------------------------|------------------------|
| Reconciliation of operating loss to net cash used in operating activities: | | |
| Operating loss | \$ (43,555,114) | \$ (40,762,497) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation | 9,046,710 | 8,604,521 |
| Changes in operating assets and liabilities: | | |
| Accounts and other receivables | (60,036) | 509,137 |
| Inventories | 82,955 | 18,711 |
| Prepaid items | (67,798) | 112,593 |
| Accounts payable | (1,052,778) | 209,655 |
| Accrued expenses | (12,777) | 85,336 |
| Due to student and other organizations | 272,461 | 200,023 |
| Unearned revenue | 12,910 | (8,662) |
| Net pension changes (including deferred outflows and inflows) | 2,427,505 | 693,414 |
| Postemployment benefit changes (including deferred outflows and inflows) | (60,017) | (461,200) |
| Net cash used in operating activities | \$ (32,965,979) | \$ (30,798,969) |
| Noncash investing, capital, and financing activities: | | |
| Purchase of capital assets in accounts payable | \$ 1,082,545 | \$ 1,062,394 |

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.
- 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, 2019 and 2018.

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 - 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, 2019 and 2018, the District levied at the following mill rate:

| | 2019 | 2018 |
|---------------------------|------------|------------|
| Operating purposes | \$ 0.63237 | \$ 0.64225 |
| Debt service requirements | 0.63005 | 0.62620 |
| Totals | \$ 1.26242 | \$ 1.26845 |

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 debt 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 November 25, 2019, 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:

| | 2019 | 2018 |
|---|----------------------|----------------------|
| Cash on deposit with financial institutions | \$ 13,247,867 | \$ 10,634,985 |
| Wisconsin Local Government Investment Pool | 26,402,373 | 28,596,857 |
| Cash on hand | 9,137 | 9,042 |
| Total cash and cash equivalents | \$ 39,659,377 | \$ 39,240,884 |

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, 2019, \$11,964,858 of the District's bank balance of \$13,582,822 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, 2019 and 2018, 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:

| | 2019 | 2018 |
|-------------------------------------|---------------------|---------------------|
| Federal and state grants | \$ 1,364,711 | \$ 1,279,870 |
| Student tuition and fees | 1,887,193 | 2,001,706 |
| Business and industry contracts | 194,229 | 160,206 |
| Bookstore sales | 134,925 | 89,645 |
| Health claim stop-loss | 77,419 | 181,588 |
| Other | 145,246 | 122,379 |
| Allowance for uncollectible amounts | (1,048,334) | (1,140,041) |
| Total | \$ 2,755,389 | \$ 2,695,353 |

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:

| | 2019 | | | |
|---|----------------------|---------------------|---------------------|----------------------|
| | Beginning Balance | Increases | Decreases | Ending Balance |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,112,920 | \$ 16,026 | \$ 0 | \$ 1,128,946 |
| Construction in progress | 3,261,152 | 5,463,666 | 7,640,005 | 1,084,813 |
| Total capital assets not being depreciated | 4,374,072 | 5,479,692 | 7,640,005 | 2,213,759 |
| Capital assets being depreciated: | | | | |
| Site improvements | 10,564,477 | 1,274,753 | 277,094 | 11,562,136 |
| Buildings and building improvements | 63,979,629 | 3,877,415 | 1,654,777 | 66,202,267 |
| Furniture and equipment | 40,736,055 | 5,961,177 | 5,642,623 | 41,054,609 |
| Computer software | 2,037,638 | | 964,494 | 1,073,144 |
| Total capital assets being depreciated | 117,317,799 | 11,113,345 | 8,538,988 | 119,892,156 |
| Less accumulated depreciation for: | | | | |
| Site improvements | 4,703,956 | 737,230 | 277,094 | 5,164,092 |
| Buildings and building improvements | 27,735,384 | 3,375,868 | 1,654,777 | 29,456,475 |
| Furniture and equipment | 31,364,839 | 4,622,534 | 5,601,728 | 30,385,645 |
| Computer software | 1,619,246 | 311,078 | 964,494 | 965,830 |
| Total accumulated depreciation | 65,423,425 | 9,046,710 | 8,498,093 | 65,972,042 |
| Net capital assets | 56,268,446 | \$ 7,546,327 | \$ 7,680,900 | 56,133,873 |
| Less outstanding debt related to capital assets, including premium | (47,305,436) | | | (50,464,914) |
| Plus capital projects funds borrowed but not spent | 15,159,248 | | | 16,090,893 |
| Net investment in capital assets | \$ 24,122,258 | | | \$ 21,759,852 |

Northcentral Technical College District

Notes to Financial Statements

Note 4: Capital Assets (Continued)

| | 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 5: Long-Term Obligations

Long-term liability activity for the years ended June 30, 2019 and 2018, was as follows:

| | Balance 7/1/2018 | Additions | Reductions | Balance 6/30/2019 | Amounts Due Within One Year |
|-------------------------------------|----------------------|----------------------|---------------------|----------------------|-----------------------------------|
| General obligation notes | \$ 46,220,000 | \$ 11,500,000 | \$ 8,820,000 | \$ 48,900,000 | \$ 11,395,000 |
| Premium on general obligation notes | 1,085,436 | 501,439 | 21,961 | 1,564,914 | |
| Compensated absences | 26,114 | 24,832 | 26,114 | 24,832 | 9,836 |
| Totals | \$ 47,331,550 | \$ 12,026,271 | \$ 8,868,075 | \$ 50,489,746 | \$ 11,404,836 |

| | 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 |

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, 2019 and 2018, is comprised of the following individual issues:

| | 2019 | 2018 |
|--|----------------------|----------------------|
| June 11, 2013 general obligation promissory note (1) | \$ 5,765,000 | \$ 7,070,000 |
| June 2, 2014 general obligation promissory note (2) | 2,075,000 | 4,085,000 |
| June 15, 2015 general obligation promissory note (3) | 3,730,000 | 5,595,000 |
| May 2, 2016 general obligation promissory note (4) | 6,915,000 | 7,770,000 |
| June 15, 2016 general obligation promissory note (5) | 990,000 | 1,115,000 |
| June 30, 2016 general obligation promissory note (6) | 920,000 | 1,055,000 |
| June 1, 2017 general obligation promissory note (7) | 7,240,000 | 8,030,000 |
| June 1, 2018 general obligation promissory note (8) | 9,765,000 | 11,500,000 |
| May 28, 2019 general obligation promissory note (9) | 11,500,000 | |
| Total general obligation debt | \$ 48,900,000 | \$ 46,220,000 |

Northcentral Technical College District

Notes to Financial Statements

Note 5: Long-Term Obligations (Continued)

General Obligation Debt (Continued)

- (1) 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.
- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) 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.
- (8) 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.
- (9) Promissory note issued by Hutchinson, Shockey, Erley & Co. the construction of building additions on the Wausau Campus, remodeling and improvement projects, building and site maintenance and repair, site improvements, equipment acquisition, installation and related costs, with interest at 0.5% to 5.0%. Principal due annually on March 1, beginning with March 1, 2020, with final maturity March 1, 2029.

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, 2019, was \$873,772,557 and the District's outstanding general obligation debt of \$48,900,000, net of resources available of \$9,422,746 to pay principal, was \$39,477,254. 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.

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 \$349,509,023 and \$337,420,164 at June 30, 2019 and 2018, respectively. The District had no outstanding bonded indebtedness as of June 30, 2019 and 2018.

Aggregate cash flow requirements for the retirement of long-term principal and interest on general obligation debt as of June 30, 2019, follows:

| Year Ended June 30, | Principal | Interest | Totals |
|--------------------------------------|----------------------|---------------------|----------------------|
| 2020 | \$ 11,395,000 | \$ 1,077,307 | \$ 12,472,307 |
| 2021 | 7,045,000 | 965,994 | 8,010,994 |
| 2022 | 5,385,000 | 834,563 | 6,219,563 |
| 2023 | 5,580,000 | 664,262 | 6,244,262 |
| 2024 | 4,145,000 | 571,400 | 4,716,400 |
| 2025-2029 | 15,350,000 | 1,025,200 | 16,375,200 |
| Total general obligation debt | \$ 48,900,000 | \$ 5,138,726 | \$ 54,038,726 |

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:

| | | |
|------|----|--------|
| 2020 | \$ | 77,937 |
|------|----|--------|

Rental expense for all operating leases for the years ended June 30, 2019 and 2018, were \$199,219 and \$155,875, 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 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.

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

| Year | Core Fund Adjustment | Variable Fund Adjustment |
|------|----------------------|--------------------------|
| 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 % |
| 2018 | 2.4 % | 17.0 % |

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 \$1,762,195 in contributions from the employer.

The District only has employees in the general category which had the following contribution rates as of June 30, 2019 and 2018:

| Employee Category | 2019 | | 2018 | |
|---|----------|----------|----------|----------|
| | Employee | Employer | Employee | Employer |
| General (including teachers, executives, and elected officials) | 6.55 % | 6.55 % | 6.70 % | 6.70 % |

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2019 and 2018, the District reported a liability (asset) of \$6,216,897 and \$(5,275,342), 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, 2018 and 2017, the District's proportion was 0.17474551% and 0.17767368%, which was a decrease of 0.00292817% and a decrease of 0.00197593% from its proportion measured in the respective prior year.

For the years ended June 30, 2019 and 2018, the District recognized pension expense of \$4,189,700 and \$2,432,603.

At June 30, 2019 and 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | 2019 | | 2018 | |
|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 4,842,021 | \$ 8,558,953 | \$ 6,702,454 | \$ 3,135,185 |
| Net differences between projected and actual earnings on pension plan investments | 9,079,353 | | | 7,250,469 |
| Changes in assumptions | 1,047,941 | | 1,042,305 | |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 19,497 | 7,311 | 15,679 | 19,212 |
| Employer contributions subsequent to the measurement date | 867,352 | | 869,594 | |
| Total | \$ 15,856,164 | \$ 8,566,264 | \$ 8,630,032 | \$ 10,404,866 |

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) - \$867,352 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, 2020. 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 |
|---------------------|---|
| 2020 | \$ 2,319,044 |
| 2021 | 591,748 |
| 2022 | 1,021,882 |
| 2023 | 2,489,874 |

Actuarial Assumptions - The total pension liability in the actuarial valuations used for the years ended June 30, 2019 and 2018, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | 2019 | 2018 |
|---|--------------------------------|--------------------------------|
| Actuarial Valuation Date | December 31, 2017 | December 31, 2016 |
| Measurement Date of Net Pension Liability (Asset) | December 31, 2018 | December 31, 2017 |
| Actuarial Cost Method | Entry Age | Entry Age |
| Asset Valuation Method | Fair Market Value | Fair Market Value |
| Long-Term Expected Rate of Return | 7.0 % | 7.2 % |
| Discount Rate | 7.0 % | 7.2 % |
| Salary Increases: | | |
| Inflation | 3.0 % | 3.2 % |
| Seniority/Merit | 0.1 % - 5.6 % | 0.2 % - 5.6 % |
| Mortality | Wisconsin 2018 Mortality Table | Wisconsin 2012 Mortality Table |
| Postretirement Adjustments* | 1.9 % | 2.1 % |

* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

Actuarial assumptions for the 2017 valuation was based on an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017, and the 2016 valuation was based upon an experience study conducted in 2015 using experience from 2012-2014. The total pension liability (asset) for December 31, 2018 and 2017, is based upon a rollforward of the liability calculated from the December 31, 2017 and 2016, 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, 2018 | | |
|--|--------------------------------|--|---|
| | Asset Allocation % | Long-Term Expected Nominal Rate of Return % | Long-Term Expected Real Rate of Return % |
| Core Fund | | | |
| Global equities | 49.0 % | 8.1 % | 5.5 % |
| Fixed income | 24.5 % | 4.0 % | 1.5 % |
| Inflation sensitive assets | 15.5 % | 3.8 % | 1.3 % |
| Real estate | 9.0 % | 6.5 % | 3.9 % |
| Private equity/debt | 8.0 % | 9.4 % | 6.7 % |
| Multi-asset | 4.0 % | 6.7 % | 4.1 % |
| Total core fund | 110.0 % | 7.3 % | 4.7 % |
| Variable Fund | | | |
| U.S. equities | 70.0 % | 7.6 % | 5.0 % |
| International equities | 30.0 % | 8.5 % | 5.9 % |
| Total variable fund | 100.0 % | 8.0 % | 5.4 % |

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.5%

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 | 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.

Single Discount Rate: A single discount rate of 7.00% was used to measure the total pension liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long-term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Northcentral Technical College District

Notes to Financial Statements

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

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

| | 2019 | | 2018 | |
|-------------------------|---------------|-------------------------------|---------------|-------------------------------|
| | Discount Rate | Net Pension Liability (Asset) | Discount Rate | Net Pension Liability (Asset) |
| 1% decrease to the rate | 6.0% | \$ 24,706,601 | 6.2% | \$ 13,649,111 |
| Current discount rate | 7.0% | 6,216,897 | 7.2% | (5,275,342) |
| 1% increase to the rate | 8.0% | (7,531,631) | 8.2% | (19,658,513) |

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, 2019 and 2018, the District reported a payable of \$302,342 and \$313,350 for the outstanding amount of contributions to the pension plan, respectively.

Note 8: Other Postemployment Benefits

Plan Description - The District administers a single-employer defined benefit healthcare 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)

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.

Employees Covered by the Benefit Terms - At June 30, 2018, 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 |

Total OPEB Liability - The District's total OPEB liability at June 30, 2019 was \$5,196,105, was measured as of June 30, 2018, and was determined by an update to the actuarial valuation. 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 at that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs:

| | |
|----------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Discount rate | 3.75 % |
| Healthcare cost trend rate | 1.7% in year 1, followed by 7.0% decreasing by 0.50% per year 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, 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 0.50% per year down to 6.50%, then by 0.10% per year down to 5.0%, and level thereafter |

The discount rate for the actuarial valuation 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. For the June 30, 2017, actuarial valuation 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, 2019 and 2018, were as follows:

| | | |
|--|----|-----------|
| 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) |
| <hr/> | | |
| Balance at July 1, 2018 | | 5,811,197 |
| Service cost | | 175,183 |
| Interest | | 192,089 |
| Changes of assumptions or other input | | (161,310) |
| Benefit payments | | (821,054) |
| <hr/> | | |
| Balance at June 30, 2019 | \$ | 5,196,105 |

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:

| | 2019 | | 2018 | |
|-------------------------|---------------|----------------------|---------------|----------------------|
| | Discount Rate | Total OPEB Liability | Discount Rate | Total OPEB Liability |
| 1% decrease to the rate | 2.75 % | \$5,888,523 | 2.50 % | \$6,528,658 |
| Current discount rate | 3.75 % | \$5,196,105 | 3.50 % | \$5,811,197 |
| 1% increase to the rate | 4.75 % | \$4,618,074 | 4.50 % | \$5,214,581 |

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:

| | 2019 | | 2018 | |
|-------------------------|--|----------------------|--|----------------------|
| | 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% | \$4,909,682 | 0.7% in year 1, then 6.0% decreasing to 4.0% | \$5,545,167 |
| Current discount rate | 1.7% in year 1, then 7.0% decreasing to 5.0% | \$5,196,105 | 1.7% in year 1, then 7.0% decreasing to 5.0% | \$5,811,197 |
| 1% increase to the rate | 2.7% in year 1, then 8.0% decreasing to 6.0% | \$5,535,243 | 2.7% in year 1, then 8.0% decreasing to 6.0% | \$6,125,904 |

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, 2019 and 2018, the District recognized OPEB expense of \$517,949 and \$461,200, respectively. At June 30, 2019 and 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | 2019 | | 2018 | |
|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 81,397 | \$ 0 | \$ 97,677 | \$ 0 |
| Changes in assumptions or other inputs | 278,178 | 471,618 | 347,723 | 400,023 |
| Employer contributions subsequent to the measurement date | 423,399 | | 821,054 | |
| Total | \$ 782,974 | \$ 471,618 | \$ 1,266,454 | \$ 400,023 |

\$423,399 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, 2020. 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 |
|--------------------|---|
| 2020 | \$ (3,890) |
| 2021 | (3,890) |
| 2022 | (3,890) |
| 2023 | (3,892) |
| 2024 | (73,435) |
| Thereafter | (23,046) |

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 2019 and 2018. For the years ended June 30, 2019 and 2018, the District paid premiums of \$379,952 and \$387,727, 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 year 2019.

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 healthcare program. As part of the healthcare 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, this ended effective December 31, 2018.

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, 2019 and 2018, the amounts of these liabilities were \$17,000 and \$645,805, 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 |
|---------|--|---|-------------------|-------------------------------|
| 2016-17 | \$ 332,572 | \$ 4,137,734 | \$ 4,155,942 | \$ 314,364 |
| 2017-18 | \$ 314,364 | \$ 6,435,747 | \$ 6,104,306 | \$ 645,805 |
| 2018-19 | \$ 645,805 | \$ 3,100,739 | \$ 3,729,544 | \$ 17,000 |

Public Risk Entity Pool

As of January 1, 2019, the District joined the Wisconsin Technical College Employee Benefits Consortium (WTCEBC). WTCEBC is a public entity risk pool that the District participates in to provide health insurance coverage to its employees. The main purpose of WTCEBC is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophic coverage and aggregate stop-loss reinsurance over the selected retention limit. The District pays WTCEBC a monthly premium based on the number of participants and the type of coverage that has been elected. Individual claims below \$100,000 are self-funded by the District. Any individual claim exceeding \$100,000 but less than \$250,000 is shared in a pooled layer among all of the colleges participating in the consortium. Individual claims exceeding \$250,000 and aggregate claims exceeding \$1,000,000 are subject to reinsurance. Each college maintains an individual reserve with WTCEBC. In the event a college were to leave the consortium, their reserve would be used to pay their remaining claims, and the balance would be refunded to the college.

WTCEBC operations are governed by a Board of Directors. The Board of Directors is comprised of one representative from each of the member colleges that participate in the consortium. The Consortium uses a third party to administer its operations, including all of the accounting functions.

For the year ended June 30, 2019, the District paid a total premium of \$3,124,895.

Audited financial statements for WTCEBC can be obtained by contacting the District.

Northcentral Technical College District

Notes to Financial Statements

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, 2019. The construction projects in progress are the Antigo Disaster Recovery Site, esports Renovation & Equipment, CDL Track, F Building Reconfiguration, CHS Data Room Cooling Installation, Salon/Spa Renovation & Equipment, 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, 2019, due to delivery and installation lead time requirements.

Future commitments include the EPDP-Electrical Power Distribution Program Site Development, Campus Drive Berm, Wausau Building H6/Auto Shop Roof Replacement, Wausau Culinary Addition, Wausau Lighting Upgrade, additional CHS Improvements, as well as various maintenance & 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 6/30/2019 | Remaining Commitment |
|--|------------------------------------|---------------------------------|
| Antigo Disaster Recovery Site | \$ 18,074 | \$ 412,576 |
| Digital Camera Package, Video Production | 5,267 | 7,459 |
| Food Trailer, Culinary Arts | 108,456 | 19,139 |
| Esports Renovation & Equipment | 74,311 | 39,781 |
| F Building Reconfiguration | 40,130 | 126,102 |
| CDL Parking Lot Resurface | 203,807 | 77,906 |
| EPDP Electrical Power Distribution Program - Building and Improvements | 202,420 | 29,820 |
| CHS Data Room Cooling Installation | 34,725 | 6,782 |
| Building F Salon/Spa Remodel | 253,282 | 798,859 |
| Wausau Lighting Upgrade | 694 | 8,133 |
| Campus Drive Berm | 5,000 | 48,865 |
| EPDP Site Development | 17,091 | 271,620 |
| Building H6, Auto Shop, Roof Replacement | 9,042 | 158,896 |
| Culinary Addition | 4,006 | 1,800 |
| CHS Improvements, FY20 | 4,937 | 41,791 |
| Smart Classrooms & IVC Classrooms for Various Projects | | 660,263 |
| 2130 Firewall - IT Infrastructure | | 86,821 |
| Set of Access Points - IT Infrastructure | | 84,750 |
| Building E Dining Room Addition | | 736,461 |
| Dining Room Solarium | | 180,795 |
| Dental Chairs | | 125,902 |
| Scara SR-6iA Robots | | 85,072 |
| Woods Equipment | | 245,200 |

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, 2019, were \$50,750. As of June 30, 2019, the District was committed to make future payments of \$55,250.

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:

| | 2019 | | 2018 | |
|---------------------|---------------|-------------|---------------|-------------|
| | Total WISPALS | NTC's Share | Total WISPALS | NTC's Share |
| Total assets | \$ 70,646 | \$ 6,422 | \$ 34,964 | \$ 3,179 |
| Total liabilities | 31,090 | 2,826 | - | - |
| Ending fund balance | 39,556 | 3,596 | 34,964 | 3,179 |
| Total revenues | 600,301 | 54,573 | 462,299 | 42,027 |
| Total expenses | 595,709 | 54,155 | 542,006 | 49,273 |

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:

| | 2019 | 2018 |
|--|----------------------|----------------------|
| Salaries and wages | \$ 29,271,610 | \$ 28,936,113 |
| Employee benefits | 12,755,673 | 11,259,034 |
| Travel, memberships, and subscriptions | 942,030 | 997,449 |
| Supplies and minor equipment | 4,277,335 | 4,341,665 |
| Postage, printing, and advertising | 718,132 | 875,310 |
| Repairs and maintenance | 769,278 | 589,070 |
| Contracted services | 6,447,442 | 6,765,708 |
| Rentals | 301,877 | 280,306 |
| Insurance | 446,419 | 432,701 |
| Utilities | 931,214 | 955,589 |
| Depreciation | 9,046,710 | 8,604,521 |
| Other | 141,757 | 172,966 |
| Student aid | 2,168,384 | 1,639,255 |
| Total operating expenses | \$ 68,217,861 | \$ 65,849,687 |

Northcentral Technical College District

Notes to Financial Statements

Note 14: Subsequent Events

On September 25, 2019 the District signed a contract in the amount of \$736,461 for the Wausau campus culinary arts addition.

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)*

| | 2019 | 2018 | 2017 | 2016 |
|--|---------------|---------------|---------------|---------------|
| Measurement date | 6/30/2018 | 6/30/2017 | 6/30/2016 | 6/30/2015 |
| Total OPEB Liability | | | | |
| Service cost | \$ 175,183 | \$ 151,134 | \$ 124,538 | \$ 124,538 |
| Interest | 192,089 | 189,566 | 234,496 | 244,389 |
| Differences between expected and actual experience | | 113,957 | | |
| Changes of assumptions or other input | (161,310) | (466,694) | 486,813 | |
| Benefit payments | (821,054) | (840,132) | (746,871) | (518,596) |
| Net change in total OPEB liability | (615,092) | (852,169) | 98,976 | (149,669) |
| Total OPEB liability at beginning | 5,811,197 | 6,663,366 | 6,564,390 | 6,714,059 |
| Total OPEB liability at end | \$ 5,196,105 | \$ 5,811,197 | \$ 6,663,366 | \$ 6,564,390 |
| District's covered-employee payroll | \$ 24,481,301 | \$ 24,481,301 | \$ 16,353,932 | \$ 16,353,932 |
| Total OPEB liability as a percentage of covered-employee payroll | 21.22 % | 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

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

Last Ten Fiscal Years (When Available)*

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|----------------|---------------|---------------|----------------|
| Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) | | | | | |
| Measurement date | 12/31/2018 | 12/31/2017 | 12/31/2016 | 12/31/2015 | 12/31/2014 |
| District's proportion of the net pension liability (asset) | 0.17474551 % | 0.17767368 % | 0.17964961 % | 0.18088260 % | 0.18071590 % |
| District's proportionate share of the net pension liability (asset) | \$ 6,216,897 | \$ (5,275,342) | \$ 1,480,742 | \$ 2,939,307 | \$ (4,438,877) |
| District's covered payroll during the measurement period | 26,334,880 | 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 | 23.61 % | (20.24)% | 5.76 % | 11.50 % | (17.50)% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 96.45 % | 102.93 % | 99.12 % | 98.20 % | 102.74 % |
| Schedule of Employer Contributions | | | | | |
| Contractually required contribution for the fiscal period | \$ 1,762,195 | \$ 1,751,085 | \$ 1,743,835 | \$ 1,720,607 | \$ 1,765,923 |
| Contributions in relation to the contractually required contribution | (1,762,195) | (1,751,085) | (1,743,835) | (1,720,607) | (1,765,923) |
| Contribution deficiency | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| District's covered payroll for the fiscal period | \$ 26,597,880 | \$ 25,942,119 | \$ 26,024,846 | \$ 25,678,283 | \$ 25,588,765 |
| Contributions as a percentage of covered payroll | 6.63 % | 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.

*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

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, 2019

| | Original Budget | Amended Budget | Actual | Adjustment to Budgetary Basis | Actual on a Budgetary Basis | Variance Positive (Negative) |
|--|--------------------|--------------------|----------------------|-------------------------------------|-----------------------------------|------------------------------------|
| Revenues: | | | | | | |
| Local government | \$ 8,992,280 | \$ 9,144,862 | \$ 9,144,862 | \$ 0 | \$ 9,144,862 | \$ 0 |
| State revenues | 19,273,382 | 19,076,899 | 19,076,899 | | 19,076,899 | |
| Federal revenues | | 8,380 | 8,380 | | 8,380 | |
| Statutory program fees | 9,274,800 | 8,583,835 | 8,583,835 | | 8,583,835 | |
| Material fees | 492,450 | 495,946 | 495,946 | | 495,946 | |
| Other student fees | 445,000 | 468,310 | 468,310 | | 468,310 | |
| Institutional revenues | 440,000 | 587,906 | 587,906 | | 587,906 | |
| Total revenues | 38,917,912 | 38,366,138 | 38,366,138 | | 38,366,138 | |
| Expenditures: | | | | | | |
| Instruction | 23,008,062 | 21,782,342 | 21,782,342 | | 21,782,342 | |
| Instructional resources | 1,637,795 | 1,533,337 | 1,533,337 | | 1,533,337 | |
| Student services | 2,337,457 | 2,214,604 | 2,214,604 | | 2,214,604 | |
| General institutional | 8,501,130 | 8,065,700 | 8,065,700 | | 8,065,700 | |
| Physical plant | 3,821,656 | 3,780,669 | 3,780,669 | | 3,780,669 | |
| Total expenditures | 39,306,100 | 37,376,652 | 37,376,652 | | 37,376,652 | |
| Excess (deficiency) of revenues over expenditures | (388,188) | 989,486 | 989,486 | | 989,486 | |
| Other financing sources (uses): | | | | | | |
| Transfers in | | 69,592 | 69,592 | | 69,592 | |
| Transfers out | (19,000) | (1,452,877) | (1,452,877) | | (1,452,877) | |
| Total other financing sources (uses) | (19,000) | (1,383,285) | (1,383,285) | | (1,383,285) | |
| Excess (deficiency) of revenues and other financing sources (uses) over expenditures | \$ (407,188) | \$ (393,799) | (393,799) | | (393,799) | \$ 0 |
| Fund balance at beginning of year | | | 14,933,096 | | 14,933,096 | |
| Fund balance at end of year | | | \$ 14,539,297 | \$ 0 | \$ 14,539,297 | |
| Fund balance: | | | | | | |
| Reserved for prepaid items | | | \$ 168,322 | | | |
| Unreserved fund balance: | | | | | | |
| Designated for postemployment benefits | | | 5,196,105 | | | |
| Designated for state aid fluctuations | | | 830,367 | | | |
| Designated for operations | | | 8,344,503 | | | |
| Total fund balance | | | \$ 14,539,297 | | | |

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, 2019

| | Original Budget | Amended Budget | Actual | Adjustment to Budgetary Basis | Actual on a Budgetary Basis | Variance Positive (Negative) |
|--|--------------------|-------------------|---------------------|-------------------------------------|-----------------------------------|------------------------------------|
| Revenues: | | | | | | |
| Local government | \$ 1,100,000 | \$ 1,100,000 | \$ 1,100,000 | \$ 0 | \$ 1,100,000 | \$ 0 |
| State revenues | 2,189,882 | 2,456,182 | 2,456,182 | | 2,456,182 | |
| Federal revenues | 1,339,931 | 1,445,601 | 1,445,601 | | 1,445,601 | |
| Statutory program fees | 253,559 | 334,013 | 334,013 | | 334,013 | |
| Material fees | 43,511 | 49,168 | 49,168 | | 49,168 | |
| Other student fees | 474,126 | 528,819 | 528,819 | | 528,819 | |
| Institutional revenues | 3,463,973 | 4,779,937 | 4,779,937 | | 4,779,937 | |
| Total revenues | 8,864,982 | 10,693,720 | 10,693,720 | | 10,693,720 | |
| Expenditures: | | | | | | |
| Instruction | 6,653,503 | 8,339,610 | 8,339,610 | | 8,339,610 | |
| Instructional resources | 71,800 | 78,435 | 78,435 | | 78,435 | |
| Student services | 1,507,200 | 1,495,888 | 1,495,888 | | 1,495,888 | |
| General institutional | 541,000 | 612,394 | 612,394 | | 612,394 | |
| Physical plant | 63,923 | 63,069 | 63,069 | | 63,069 | |
| Total expenditures | 8,837,426 | 10,589,396 | 10,589,396 | | 10,589,396 | |
| Excess of revenues over expenditures | 27,556 | 104,324 | 104,324 | | 104,324 | |
| Other financing uses - Transfers out | | (18,600) | (18,600) | | (18,600) | |
| Excess of revenues and other financing uses over expenditures | \$ 27,556 | \$ 85,724 | 85,724 | | 85,724 | \$ 0 |
| Fund balance at beginning of year | | | 2,552,134 | | 2,552,134 | |
| Fund balance at end of year | | | \$ 2,637,858 | \$ 0 | \$ 2,637,858 | |
| Fund balance - Unreserved - Designated for operations | | | \$ 2,637,858 | | | |

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, 2019

| | Original Budget | Amended Budget | Actual | Adjustment to Budgetary Basis | Actual on a Budgetary Basis | Variance Positive (Negative) |
|--|--------------------|-------------------|-------------------|-------------------------------------|-----------------------------------|------------------------------------|
| Revenues: | | | | | | |
| Local government | \$ 200,000 | \$ 134,376 | \$ 134,376 | \$ 0 | \$ 134,376 | \$ 0 |
| State revenues | 1,157,000 | 1,293,257 | 1,293,257 | | 1,293,257 | |
| Federal revenues | 10,243,113 | 10,654,528 | 10,654,528 | | 10,654,528 | |
| Other student fees | 845,000 | 795,803 | 795,803 | | 795,803 | |
| Institutional revenues | 238,000 | 240,276 | 240,276 | | 240,276 | |
| Total revenues | 12,683,113 | 13,118,240 | 13,118,240 | | 13,118,240 | |
| Expenditures: | | | | | | |
| Student services | 12,607,433 | 13,096,012 | 13,096,012 | | 13,096,012 | |
| Public service | 126,500 | 55,291 | 55,291 | | 55,291 | |
| Total expenditures | 12,733,933 | 13,151,303 | 13,151,303 | | 13,151,303 | |
| Deficiency of revenues over expenditures | (50,820) | (33,063) | (33,063) | | (33,063) | |
| Other financing sources - Transfers in | 19,000 | 18,600 | 18,600 | | 18,600 | |
| Deficiency of revenues and other financing sources over expenditures | \$ (31,820) | \$ (14,463) | (14,463) | | (14,463) | \$ 0 |
| Fund balance at beginning of year | | | 354,953 | | 354,953 | |
| Fund balance at end of year | | | \$ 340,490 | \$ 0 | \$ 340,490 | |
| Fund balance - Reserved fund balance - Student organizations | | | \$ 340,490 | | | |

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, 2019

| | Original Budget | Amended Budget | Actual | Adjustment to Budgetary Basis | Actual on a Budgetary Basis | Variance Positive (Negative) |
|---|-----------------------|-------------------|----------------------|-------------------------------------|-----------------------------------|------------------------------------|
| Revenues: | | | | | | |
| State revenues | \$ 86,000 | \$ 120,785 | \$ 120,785 | \$ 0 | \$ 120,785 | \$ 0 |
| Federal revenues | | 273,725 | 273,725 | | 273,725 | |
| Institutional revenues | 218,600 | 605,305 | 605,305 | | 605,305 | |
| Total revenues | 304,600 | 999,815 | 999,815 | | 999,815 | |
| Expenditures: | | | | | | |
| Capital outlay: | | | | | | |
| Instruction | 2,066,969 | 2,368,070 | 2,368,070 | | 2,368,070 | |
| Instructional resources | 1,584,528 | 1,374,258 | 1,374,258 | | 1,374,258 | |
| Student services | | 6,194 | 6,194 | | 6,194 | |
| General institutional | 3,862,863 | 3,681,229 | 3,681,229 | | 3,681,229 | |
| Physical plant | 5,638,094 | 4,888,419 | 4,888,419 | | 4,888,419 | |
| Total expenditures | 13,152,454 | 12,318,170 | 12,318,170 | | 12,318,170 | |
| Deficiency of revenues over expenditures | (12,847,854) | (11,318,355) | (11,318,355) | | (11,318,355) | |
| Other financing sources: | | | | | | |
| Transfers in | | 750,000 | 750,000 | | 750,000 | |
| Issuance of long-term debt | 11,500,000 | 11,500,000 | 11,500,000 | | 11,500,000 | |
| Total other financing sources | 11,500,000 | 12,250,000 | 12,250,000 | | 12,250,000 | |
| Excess (deficiency) of revenues and other financing sources over expenditures | <u>\$ (1,347,854)</u> | <u>\$ 931,645</u> | 931,645 | | 931,645 | <u>\$ 0</u> |
| Fund balance at beginning of year | | | 15,159,248 | | 15,159,248 | |
| Fund balance at end of year | | | <u>\$ 16,090,893</u> | <u>\$ 0</u> | <u>\$ 16,090,893</u> | |
| Fund balance - Reserved for capital projects | | | <u>\$ 16,090,893</u> | | | |

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Northcentral Technical College District

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

Year Ended June 30, 2019

| | Original Budget | Amended Budget | Actual | Adjustment to Budgetary Basis | Actual on a Budgetary Basis | Variance Positive (Negative) |
|--|--------------------|-------------------|---------------------|-------------------------------------|-----------------------------------|------------------------------------|
| Revenues: | | | | | | |
| Local revenues | \$ 10,035,141 | \$ 10,253,041 | \$ 10,253,041 | \$ 0 | \$ 10,253,041 | \$ 0 |
| Institutional revenues | 30,000 | 130,979 | 130,979 | | 130,979 | |
| Total revenues | 10,065,141 | 10,384,020 | 10,384,020 | | 10,384,020 | |
| Expenditures - Physical plant | 9,941,000 | 9,916,744 | 9,916,744 | | 9,916,744 | |
| Excess of revenues over expenditures | 124,141 | 467,276 | 467,276 | | 467,276 | |
| Other financing sources - Premium on long-term debt | 321,000 | 501,439 | 501,439 | | 501,439 | |
| Excess of revenues and other financing sources over expenditures | <u>\$ 445,141</u> | <u>\$ 968,715</u> | 968,715 | | 968,715 | <u>\$ 0</u> |
| Fund balance at beginning of year | | | 2,977,216 | | 2,977,216 | |
| Fund balance at end of year | | | <u>\$ 3,945,931</u> | <u>\$ 0</u> | <u>\$ 3,945,931</u> | |
| Fund balance - Reserved for debt service | | | <u>\$ 3,945,931</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) - Enterprise Fund

Year Ended June 30, 2019

| | Original Budget | Amended Budget | Actual | Adjustment to Budgetary Basis | Actual on a Budgetary Basis | Variance Positive (Negative) |
|---|--------------------|--------------------|-------------------|-------------------------------------|-----------------------------------|------------------------------------|
| Operating revenues: | | | | | | |
| Local | \$ 0 | \$ 83,559 | \$ 83,559 | \$ 0 | \$ 83,559 | \$ 0 |
| Institutional | 2,591,000 | 2,291,557 | 2,291,557 | | 2,291,557 | |
| Total operating revenues | 2,591,000 | 2,375,116 | 2,375,116 | | 2,375,116 | |
| Operating expenses - Auxiliary services | 2,550,313 | 2,360,796 | 2,360,796 | | 2,360,796 | |
| Operating income | 40,687 | 14,320 | 14,320 | | 14,320 | |
| Operating transfers: | | | | | | |
| Transfers in | | 2,877 | 2,877 | | 2,877 | |
| Transfers out | | (49,295) | (49,295) | | (49,295) | |
| Total operating transfers | | (46,418) | (46,418) | | (46,418) | |
| Change in net position | <u>\$ 40,687</u> | <u>\$ (32,098)</u> | (32,098) | | (32,098) | <u>\$ 0</u> |
| Net position at beginning of year | | | 498,056 | | 498,056 | |
| Net position at end of year | | | <u>\$ 465,958</u> | <u>\$ 0</u> | <u>\$ 465,958</u> | |
| Net position - Unrestricted | | | <u>\$ 465,958</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, 2019

| | Original Budget | Amended Budget | Actual | Adjustment to Budgetary Basis | Actual on a Budgetary Basis | Variance Positive (Negative) |
|---|--------------------|-------------------|---------------------|-------------------------------------|-----------------------------------|------------------------------------|
| Operating revenues - Institutional | \$ 7,958,000 | \$ 6,944,140 | \$ 6,944,140 | \$ 0 | \$ 6,944,140 | \$ 0 |
| Operating expenses - Auxiliary services | 7,940,000 | 7,555,101 | 7,555,101 | | 7,555,101 | |
| Operating income (loss) | 18,000 | (610,961) | (610,961) | | (610,961) | |
| Operating transfers: | | | | | | |
| Transfers in | | 700,000 | 700,000 | | 700,000 | |
| Transfers out | | (20,297) | (20,297) | | (20,297) | |
| Total operating transfers | | 679,703 | 679,703 | | 679,703 | |
| Change in net position | <u>\$ 18,000</u> | <u>\$ 68,742</u> | 68,742 | | 68,742 | <u>\$ 0</u> |
| Net position at beginning of year | | | 1,288,305 | | 1,288,305 | |
| Net position at end of year | | | <u>\$ 1,357,047</u> | \$ 0 | <u>\$ 1,357,047</u> | |
| Net position - Unrestricted | | | <u>\$ 1,357,047</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 | \$ | 38,366,138 |
| Special Revenue Aidable Fund | | 10,693,720 |
| Special Revenue Non-Aidable Fund | | 13,118,240 |
| Capital Projects Fund | | 999,815 |
| Debt Service Fund | | 10,384,020 |
| Enterprise Fund | | 2,375,116 |
| Internal Service Fund | | 6,944,140 |

82,881,189

Adjustments:

| | | |
|--|--|-------------|
| Interfund charges from internal service and fiduciary funds are eliminated for GAAP reporting | | (7,149,812) |
| Interfund charges for rent are eliminated for GAAP reporting | | (186,556) |
| Student aid in the form of loans is included in expenditures for budgetary purposes but offset revenues for GAAP reporting | | (5,108,161) |
| Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting | | (4,623,691) |
| Revenues in agency funds are included in revenues for budgetary purposes but offset expenditures for GAAP reporting | | (966,843) |
| Summer tuition recognized on the cash basis is adjusted to accrual basis for GAAP reporting | | 29,270 |
| Property taxes levied for debt service payments in the subsequent fiscal year are deferred for budgetary purposes | | 168,245 |
| Gain on capital asset disposals recorded for GAAP purposes | | 8,105 |

Reconciled revenues \$ 65,051,746

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

| | | |
|------------------------------------|----|------------|
| Operating revenues | \$ | 24,662,747 |
| Property taxes | | 20,814,911 |
| State operating appropriations | | 18,998,416 |
| Gain on disposal of capital assets | | 8,105 |
| Investment income | | 567,567 |

Total \$ 65,051,746

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 | \$ 37,376,652 |
| Special Revenue Aidable Fund | 10,589,396 |
| Special Revenue Non-Aidable Fund | 13,151,303 |
| Capital Projects Fund | 12,318,170 |
| Debt Service Fund | 9,916,744 |
| Enterprise Fund | 2,360,796 |
| Internal Service Fund | 7,555,101 |
| | <hr/> |
| | 93,268,162 |
| Adjustments: | |
| Interfund charges from internal service funds are eliminated for GAAP reporting | (6,858,750) |
| Interfund charges for rent are eliminated for GAAP reporting | (186,556) |
| Student aid in the form of loans are included in expenditures for budgetary purposes but offset revenues for GAAP reporting | (5,108,161) |
| Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting | (4,623,691) |
| Expenses in agency funds are included in expenditures for budgetary purposes but offset revenues for GAAP reporting | (985,443) |
| Cash basis expenditures adjusted to accrual basis for GAAP reporting: | |
| Summer school instructional wages | 17,100 |
| Interest expense | 32,164 |
| Postemployment benefits | (60,017) |
| Pension-related benefits | 2,427,505 |
| Compensated absences | (1,283) |
| The acquisition of capital assets, excluding donations, is reported as an expenditure for budgetary purposes | (8,904,032) |
| Repayment of principal on long-term debt is a budgetary expenditure | (8,820,000) |
| Bond premium is amortized for GAAP purposes | (21,961) |
| Depreciation and loss on capital asset disposals recorded for GAAP purposes | 9,046,710 |
| | <hr/> |
| Expenses on a GAAP basis | \$ 69,221,747 |
| <hr/> | |
| Expenses per the Statement of Revenues and Expenses on a GAAP basis: | |
| Operating expenses | \$ 68,217,861 |
| Interest expense | 1,003,886 |
| | <hr/> |
| Total | \$ 69,221,747 |
| | <hr/> |

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, 2019

| 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 | | | | | | | |
| University of Minnesota | | | | | | | |
| Regionally Specific & Collaborative Educational | | | | | | | |
| Approaches to Promote Sustainable Soil Health Practices | 10.215 | H007179327 | 9/25/18-10/31/21 | \$ 200,000 | \$ 4,380 | \$ 0 | \$ 3,135 |
| U.S. Department of Interior | | | | | | | |
| Bureau of Indian Affairs | | | | | | | |
| Indian Education - Higher Education Grant Program | 15.114 | | 7/1/18-6/30/19 | | 37,355 | | |
| U.S. Department of Labor | | | | | | | |
| Pass-Through Programs | | | | | | | |
| Wisconsin Department of Workforce Development | | | | | | | |
| Mobile Advanced Manufacturing Sector Center | 17.258 | | 9/1/18-9/1/23 | 250,000 | 250,000 | | |
| Wisconsin Technical College System | | | | | | | |
| Direct Training Aid | 17.268 | 15-855-155-119 | 7/1/18-6/30/19 | 10,000 | 10,000 | | |
| Chippewa Valley Technical College | | | | | | | |
| Trade Adjustment Assistance Community College and Career | | | | | | | |
| Training ACT for Health Care | 17.282 | TC-26455-14-60-A-55 | 10/1/14-9/30/18 | 874,572 | 3,784 | | |
| Total U.S. Department of Labor | | | | | 263,784 | | |
| U.S. Department of State | | | | | | | |
| Direct Program | | | | | | | |
| Academic Exchange Programs - Undergraduate Programs | | | | | | | |
| American Councils for International Education | 19.009 | | 8/1/18-6/30/19 | 28,351 | 11,235 | 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 | 369,555 | | 176,608 |
| Pass-Through Programs | | | | | | | |
| Dakota County Technical College | | | | | | | |
| Midwest Regional Center for Nanotechnology Education | 47.076 | P0049491 | 7/1/18-6/30/19 | 7,581 | 3,524 | | |
| Total National Science Foundation | | | | | 373,079 | | 176,608 |
| U.S. Department of Education | | | | | | | |
| Direct Programs | | | | | | | |
| Student Financial Aid Cluster | | | | | | | |
| Federal Supplemental Education Opportunity Grants | 84.007 | P007A184527 | 7/1/18-6/30/19 | 120,470 | 120,470 | | |
| Federal Direct Student Loan Program | | | | | | | |
| Subsidized Stafford | 84.268 | P28K172670 | 7/1/17-6/30/18 | | 1,428 | | |
| Subsidized Stafford | 84.268 | P28K182670 | 7/1/18-6/30/19 | | 3,143,584 | | |
| Subsidized Stafford | 84.268 | P28K192670 | 7/1/19-6/30/20 | | 81,913 | | |
| Unsubsidized Stafford | 84.268 | P268K172670 | 7/1/17-6/30/18 | | (1,123) | | |
| Unsubsidized Stafford | 84.268 | P268K182670 | 7/1/18-6/30/19 | | 1,815,695 | | |
| Unsubsidized Stafford | 84.268 | P268K192670 | 7/1/19-6/30/20 | | 41,976 | | |
| PLUS | 84.268 | P28K182670 | 7/1/18-6/30/19 | | 12,688 | | |
| Total CFDA 84.268 | | | | | 5,096,161 | | |
| Federal Work Study Program | | | | | | | |
| Federal Work Study Program | 84.033 | P033A184527 | 7/1/18-6/30/19 | | 152,792 | | |
| Federal Pell Grant Program | | | | | | | |
| Pell Grant Administrative Allowance | 84.063 | P063Q182670 | 7/1/18-6/30/19 | | 8,380 | | |
| Federal Pell Grant Program | 84.063 | P063P172670 | 7/1/17-6/30/18 | | 4,114 | | |
| Federal Pell Grant Program | 84.063 | P063P182670 | 7/1/18-6/30/19 | | 4,800,563 | | |
| Federal Pell Grant Program | 84.063 | P063P192670 | 7/1/19-6/30/20 | | 345,586 | | |
| Total CFDA 84.063 | | | | | 5,158,643 | | |
| Total Student Financial Assistance Cluster | | | | | 10,528,066 | | |

Northcentral Technical College District

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2019

| 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 | | | | | | | |
| NTC District Consortium for Comprehensive Services | 84.002 | 15-511-146-129 | 7/1/18-6/30/19 | \$ 275,050 | \$ 275,050 | \$ 121,700 | \$ 0 |
| NTC District ELL Services/IELCE Program | 84.002 | 15-520-146-169 | 7/1/18-6/30/19 | 85,000 | 85,000 | 28,333 | |
| Services to At-Risk Populations - Incarcerated Individuals | 84.002 | 15-531-146-119 | 7/1/18-6/30/19 | 70,496 | 70,496 | 3,498 | |
| NTC District Consortium for Comprehensive Services (IELCE) | 84.002 | 15-510-146-169 | 7/1/18/6/30/19 | 8,662 | 8,662 | | |
| Services to At-Risk Populations - CBOs | 84.002 | 15-541-146-179 | 7/1/18-6/30/19 | 14,504 | 14,504 | 4,835 | |
| Total CFDA 84.002 | | | | | 453,712 | 158,366 | |
| Vocational Education - Basic Grants | | | | | | | |
| Pass-Through Programs | | | | | | | |
| Wisconsin Technical College System | | | | | | | |
| Achieving Student Success for At-Risk Students | 84.048 | 15-102-150-239 | 7/1/18-6/30/19 | 426,465 | 426,464 | 365,700 | |
| Increasing Nontraditional Occupations Enrollment and Completion | 84.048 | 15-104-150-269 | 7/1/18-6/30/19 | 26,780 | 26,780 | | |
| Career Prep | 84.048 | 15-107-150-219 | 7/1/18-6/30/19 | 39,411 | 39,410 | | |
| Strengthening Programs | 84.048 | 15-108-150-259 | 7/1/18-6/30/19 | 107,118 | 107,118 | | |
| Total CFDA 84.048 | | | | | 599,772 | 365,700 | |
| Pass-Through Programs | | | | | | | |
| Wisconsin Department of Public Instruction | | | | | | | |
| Gaining Early Awareness and Readiness for Undergraduate Programs | 84.334 | N/A | 7/1/18-6/30/19 | | 13,344 | | |
| Total U.S. Department of Education | | | | | 11,594,894 | 524,066 | |
| 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 | | 72,907 | | |
| U.S. Department of Homeland Security | | | | | | | |
| Pass-Through Programs | | | | | | | |
| Wisconsin Technical College System | | | | | | | |
| Assistance to Firefighters Grant | 97.044 | 15-847-153-119 | 7/1/18-6/30/19 | 24,600 | 24,600 | 3,690 | |
| TOTAL FEDERAL AWARDS | | | | | \$ 12,382,234 | \$ 530,950 | \$ 179,743 |

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, 2019

| 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 | 7/1/18-6/30/19 | \$ 0 | \$ 1,113,966 | \$ 0 | \$ 0 |
| Remission of Fees for Veterans and Dependents | 235.105 | N/A | 7/1/18-6/30/19 | | 78,483 | | |
| Minority Undergraduate Retention Grant | 235.107 | N/A | 7/1/18-6/30/19 | | 6,130 | | |
| Wisconsin Covenant Grant | 235.108 | N/A | 7/1/18-6/30/19 | | 10,375 | | |
| Academic Excellence Scholarship | 235.109 | N/A | 7/1/18-6/30/19 | | 3,937 | 3,938 | |
| Hearing and Visually Handicapped Student Grant | 235.112 | N/A | 7/1/18-6/30/19 | | 900 | | |
| Talent Incentive Program | 235.114 | N/A | 7/1/18-6/30/19 | | 40,050 | | |
| Nursing Student Loan | 235.117 | N/A | 7/1/18-6/30/19 | | 12,000 | | |
| Technical Excellence Scholarship | 235.119 | N/A | 7/1/18-6/30/19 | | 52,879 | 52,871 | |
| Wisconsin Foundation Covenant Grant | 235.131 | N/A | 7/1/18-6/30/19 | | 9,500 | | |
| Indian Student Assistance Grant | 235.132 | N/A | 7/1/18-6/30/19 | | 5,500 | | |
| Total Wisconsin Higher Education Aids Board | | | | | 1,333,720 | 56,809 | |
| Wisconsin Technical College System | | | | | | | |
| Direct Programs | | | | | | | |
| Emergency Assistance Grants | 292.104 | 15-850-104-119 | 7/1/18-6/30/19 | 26,230 | 26,180 | | |
| State Aids for Wisconsin Technical College System | | | | | | | |
| General State Aids | 292.105 | N/A | 7/1/18-6/30/19 | | 4,115,600 | | |
| Outcomes Based Aid | 292.105 | N/A | 7/1/18-6/30/19 | | 1,714,368 | | |
| General State Aid Adjustment - Prior Year | 292.105 | N/A | 7/1/18-6/30/19 | | (371,400) | | |
| Total 292.105 | | | | | 5,458,568 | | |
| Workforce Advancement Training Grant Program | | | | | | | |
| Direct Programs | | | | | | | |
| Next Generation Workforce and Leadership Consortium | 292.124 | 15-888-124-178 | 7/1/17-8/31/18 | 199,983 | 18,950 | | |
| Building Safer Workplaces Consortium | 292.124 | 15-889-124-178 | 7/1/17-8/31/18 | 192,377 | 4,938 | | |
| Building Technical Talent Management | 292.124 | 15-887-124-178 | 7/1/17-8/31/18 | 195,969 | 4,245 | | |
| Captioning for Equitable Access | 292.124 | 15-823-124-198 | 12/1/17-2/15/19 | 20,000 | 17,899 | | |
| Consortium: Career Pathways for Educational Attainment | 292.124 | 15-820-124-129 | 7/1/18-6/30/19 | 449,967 | 446,431 | 148,810 | |
| Promoting Academic & Student Success with | | | | | | | |
| Supplemental Support & Services | 292.124 | 15-824-124-169 | 7/1/18-6/30/19 | 225,000 | 225,000 | 75,000 | |
| Adult Career Pathways | 292.124 | 15-833-124-129 | 7/1/18-6/30/19 | 192,017 | 192,017 | 64,004 | |
| Post Secondary Instruction at County Jails | 292.124 | 15-834-124-199 | 7/1/18-6/30/19 | 75,000 | 73,703 | | |
| Professional Development for Full-Time and Adjunct | | | | | | | |
| Faculty | 292.124 | 15-849-124-159 | 7/1/18-6/30/19 | 57,604 | 57,604 | 28,802 | |
| Electrical & Instrumentation Apprentice - Related | | | | | | | |
| Instruction Program | 292.124 | 15-856-124-119 | 7/1/18-6/30/19 | 18,000 | 18,000 | | |
| Next Generation Workforce and Leadership Consortium | 292.124 | 15-882-124-179 | 7/1/18-8/31/19 | 200,000 | 197,116 | | |
| Building a Safer Workplace Consortium | 292.124 | 15-884-124-179 | 7/1/18-8/31/19 | 185,088 | 173,188 | | |
| Building Technical Talent Management | 292.124 | 15-885-124-179 | 7/1/18-8/31/19 | 186,372 | 177,477 | | |
| Student Success Center Leadership | 292.124 | 15-836-124-198 | 5/1/18-3/31/19 | 20,000 | 20,000 | | |
| Millwrights Apprentice-Related Instruction Program | 292.124 | 15-857-124-119 | 7/1/18-6/30/19 | 6,480 | 6,480 | | |
| Machinist Tool & Die Apprentice-Related Instruction | | | | | | | |
| Program | 292.124 | 15-858-124-119 | 7/1/18-6/30/20 | 10,080 | 10,080 | | |
| Core Industry: Meeting Critical Transportation Workforce | | | | | | | |
| Shortage | 292.124 | 15-864-124-139 | 7/1/18-6/30/20 | 362,902 | 184,446 | | |
| Consortium: Aligning Electromechanical & Industrial | | | | | | | |
| Mechanical Career Pathways | 292.124 | 15-865-124-139 | 7/1/18-6/30/19 | 415,138 | 151,561 | | 39,006 |
| Continuous Improvement Consortium | 292.124 | 15-883-124-179 | 7/1/18-8/31/19 | 200,000 | 196,009 | | |
| Pass-Through Programs | | | | | | | |
| Chippewa Valley Technical College | | | | | | | |
| AMN-NW Gold Collar Careers | 292.124 | 01-787-124-188 | 7/1/17-9/30/18 | 64,800 | 6,710 | | |
| AMN-NW Gold Collar Careers | 292.124 | 01-787-124-189 | 7/1/18-9/30/19 | 10,466 | 1,326 | | |
| Total 292.124 | | | | | 2,183,180 | 316,616 | 39,006 |
| Fire Certification Training | 292.137 | N/A | 7/1/18-6/30/19 | | 25,557 | | |
| HazMat Training | 292.138 | N/A | 7/1/18-6/30/19 | | 2,841 | | |
| Property Tax Relief Aid | 292.162 | N/A | 7/1/18-6/30/19 | | 13,229,408 | | |
| Total Wisconsin Technical College System | | | | | 20,925,734 | 316,616 | 39,006 |

Northcentral Technical College District

Schedule of Expenditures of State Awards (Continued)

Year Ended June 30, 2019

| 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 Military Affairs | | | | | | | |
| Direct | | | | | | | |
| Division of Emergency Management Emergency Police Services Program | 465.312 | 2018-MFF-02 11189 | 10/1/18-11/30/19 | \$ 10,711 | \$ 6,829 | \$ 0 | \$ 0 |
| Department of Workforce Development | | | | | | | |
| Direct Programs | | | | | | | |
| Local Youth Apprenticeship | 445.107 | 1U | 7/1/18-6/30/19 | 249,300 | 238,745 | 124,650 | |
| My Skills Grant | 445.107 | 4450-018-ILH0034-03 | 7/2/18-9/30/18 | 42,778 | 33,406 | | |
| Wisconsin Fast Forward NTC District HS Certifications | 445.107 | EFF181HS10004 | 6/18/18-6/30/20 | 96,545 | 17,969 | | |
| Wisconsin Fast Forward Increasing Instructor Capacity to Teach Dual Enrollment | 445.107 | EFF181DE10011 | 6/7/18-6/30/20 | 200,000 | 39,614 | | |
| Total Department of Workforce Development | | | | | 329,734 | 124,650 | |
| Wisconsin Department of Transportation | | | | | | | |
| Direct Programs | | | | | | | |
| Motorcycle Safety - Basic Rider | 20.395(4)(aq) | N/A | 3/1/17-11/30/18 | | 23,258 | | |
| Motorcycle Safety - Rider Coach Preparation Course | 20.395(4)(aq) | N/A | 1/1/19-6/30/19 | | 5,650 | | |
| Motorcycle Safety - Basic Rider 2 Course | 20.395(4)(aq) | N/A | 1/1/18-11/30/18 | | 138 | | |
| Motorcycle Safety - Basic Rider 2 Course | 20.395(4)(aq) | N/A | 1/1/19-6/30/19 | | 17 | | |
| Total Wisconsin Department of Transportation | | | | | \$ 29,063 | \$ | |
| TOTAL STATE FINANCIAL ASSISTANCE | | | | | \$ 22,625,080 | \$ 498,075 | \$ 39,006 |

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, 2019. 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 of Wisconsin 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 4: Reconciliation

Federal:

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

Operating revenues - Federal grants \$ 7,286,073

Adjustments:

Federal Direct Loan Program (CFDA #84.268) 5,096,161

Federal revenues per schedule of expenditures of federal awards \$ 12,382,234

State:

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

Operating revenues - State grants \$ 3,936,707

Non-operating revenues - State operating appropriations 18,998,416

Total State revenues per statement of revenues, expenses, and changes in net position 22,935,123

Adjustment - Nursing Student Loan (State ID# 235.117) 12,000

Adjustment - Wisconsin Economic Development Corporation (40,000)

Adjustment - Payments in Lieu of Taxes (31,129)

Adjustment - State Aid-Personal Property Tax (101,636)

Adjustment - Aid in Lieu of Computer Taxes (149,278)

State revenues per schedule of expenditures of state awards \$ 22,625,080

STATISTICAL SECTION

YEARS ENDED 2019 & 2018
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)

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net investment in capital assets | \$21,759,852 | \$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 |
| Restricted for debt service | 9,422,746 | 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 |
| Restricted for pension benefit | | | | | 4,402,643 | | | | | |
| Unrestricted | 14,954,186 | 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 |
| Total net position | \$46,136,784 | \$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 |

Northcentral Technical College District

Changes in Net Position

Last Ten Fiscal Years

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Operating revenues: | | | | | | | | | | |
| Student program fees, net of scholarship allowances | \$4,856,036 | \$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 |
| Student material fees, net of scholarship allowances | 356,349 | 346,263 | 331,100 | 398,967 | 347,126 | 358,249 | 347,082 | 323,597 | 326,035 | 473,623 |
| Other student fees, net of scholarship allowances | 551,417 | 431,508 | 346,153 | 390,000 | 340,848 | 162,453 | 28,406 | 53,305 | 391,829 | 410,365 |
| Federal grants | 7,286,073 | 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 |
| State grants | 3,936,707 | 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 |
| Business and industry contract revenues | 3,685,269 | 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 |
| School District contract revenues | 721,485 | 743,169 | 693,180 | 669,328 | 636,323 | 655,060 | 676,448 | 718,401 | 672,582 | 809,918 |
| Auxiliary enterprise revenues | 2,238,015 | 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 |
| Miscellaneous | 1,031,396 | 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 |
| Total operating revenues | 24,662,747 | 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 |
| Operating expenses: | | | | | | | | | | |
| Instruction | 32,330,976 | 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 |
| Instructional resources | 2,107,388 | 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 |
| Student services | 4,225,084 | 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 |
| General institutional | 11,518,850 | 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 |
| Physical plant | 4,537,471 | 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 |
| Auxiliary enterprise services | 2,271,546 | 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 |
| Public service | | | | | | 45,415 | | 36,277 | | |
| Depreciation | 9,046,710 | 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 |
| Student aid | 2,179,836 | 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 |
| Total operating expenses | 68,217,861 | 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 |
| Operating loss | (43,555,114) | (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) |
| Non-operating revenues (expenses): | | | | | | | | | | |
| Property taxes | 20,814,911 | 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 |
| State operating appropriations | 18,998,416 | 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 |
| Gain (loss) on disposal of capital assets | 8,105 | (2,641) | (797,071) | (16,649) | | | | (17,048) | (6,980) | (43,588) |
| Investment income earned | 567,567 | 290,732 | 126,786 | 88,442 | 75,530 | 124,243 | 80,276 | 136,086 | 112,977 | 159,093 |
| Interest expense | (1,003,886) | (586,501) | (602,618) | (461,430) | (454,482) | (489,114) | (405,118) | (491,127) | (617,331) | (722,535) |
| Transfer of capital assets to Wausau Area Community Network | | | | | (1,593,733) | | | | | |
| Total non-operating revenues (expenses) | 39,385,113 | 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 |
| Income (loss) before other changes in net position | (4,170,001) | (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 |
| 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 | (\$4,170,001) | (\$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 |

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) |
|---------------|------------------|-----------------|---------------|---------------------------|---------------|-----------------|---------------|-------------------|------------------|----------------------------------|---------------------------|
| 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% | | | |
| 2018 | 11,610,731,222 | 2,809,847,770 | 629,983,000 | 357,549,318 | 156,258,436 | 965,809,726 | 632,767,840 | 358,927,483 | 17,521,874,795 | 15,062,356,238 | 1.26242 |
| % of Total | 66.26% | 16.04% | 3.60% | 2.04% | 0.89% | 5.51% | 3.61% | 2.05% | | | |

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 | | | | | | | | | |
|------------------------|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| District Direct Rates: | | | | | | | | | | |
| Operational (1) | 0.632 | 0.642 | 0.639 | 0.635 | 0.627 | 1.510 | 1.497 | 1.499 | 1.499 | 1.473 |
| Debt Service | 0.630 | 0.626 | 0.626 | 0.626 | 0.591 | 0.575 | 0.526 | 0.523 | 0.476 | 0.439 |
| Total Direct Rate | 1.262 | 1.268 | 1.265 | 1.261 | 1.218 | 2.085 | 2.023 | 2.022 | 1.975 | 1.912 |
| <u>Clark County</u> | | | | | | | | | | |
| T Beaver | 20.74 | 20.84 | 21.84 | 22.00 | 21.55 | 21.53 | 20.55 | 20.49 | 20.58 | 18.89 |
| T Colby | 20.66 | 20.74 | 21.06 | 21.27 | 20.74 | 20.84 | 21.42 | 19.56 | 18.98 | 18.36 |
| T Eaton | 21.53 | 21.49 | 22.32 | 24.28 | 24.18 | 25.01 | 24.23 | 23.49 | 23.20 | 21.67 |
| T Fremont | 21.74 | 21.70 | 21.98 | 22.24 | 22.38 | 22.52 | 22.52 | 22.43 | 21.92 | 20.16 |
| T Green Grove | 18.90 | 19.68 | 20.05 | 19.85 | 20.02 | 19.16 | 19.64 | 19.70 | 19.80 | 18.35 |
| T Hoard | 17.55 | 18.95 | 19.45 | 18.78 | 18.62 | 17.23 | 18.45 | 19.20 | 20.33 | 18.65 |
| T Loyal | 20.91 | 20.96 | 22.04 | 22.08 | 21.60 | 21.55 | 20.56 | 20.63 | 20.69 | 18.96 |
| T Mayville | 22.33 | 22.48 | 21.96 | 23.33 | 23.37 | 22.39 | 22.78 | 21.60 | 21.00 | 20.18 |
| T Sherman | 20.41 | 20.85 | 21.30 | 20.81 | 20.73 | 20.59 | 20.10 | 19.95 | 19.26 | 18.26 |
| T Unity | 20.94 | 21.29 | 21.60 | 21.25 | 21.39 | 21.36 | 21.65 | 20.69 | 19.85 | 19.21 |
| T Warner | 23.48 | 22.92 | 23.83 | 25.73 | 25.75 | 26.46 | 25.64 | 24.93 | 24.56 | 22.97 |
| T Weston | 18.72 | 19.06 | 19.71 | 20.39 | 19.92 | 20.72 | 21.63 | 21.16 | 20.76 | 19.45 |
| T York | 20.08 | 19.97 | 20.90 | 21.03 | 21.04 | 21.37 | 21.58 | 21.47 | 21.21 | 19.07 |
| V Curtiss | 23.15 | 22.95 | 21.04 | 32.94 | 32.81 | 31.04 | 31.49 | 30.84 | 27.81 | 24.10 |
| V Dorchester | 24.91 | 25.02 | 25.52 | 25.37 | 25.51 | 25.69 | 26.40 | 24.42 | 24.07 | 23.49 |
| V Unity | 22.69 | 22.89 | 22.99 | 23.34 | 23.38 | 23.39 | 23.83 | 22.31 | 21.30 | 20.63 |
| C Abbotsford | 26.08 | 25.87 | 24.08 | 27.85 | 26.49 | 26.57 | 26.60 | 25.33 | 24.86 | 24.19 |
| C Colby | 26.88 | 27.14 | 27.38 | 27.38 | 28.13 | 28.60 | 28.43 | 26.63 | 25.23 | 24.82 |
| C Loyal | 28.93 | 29.01 | 30.46 | 30.88 | 29.33 | 29.22 | 27.34 | 28.24 | 27.00 | 25.14 |
| <u>Langlade County</u> | | | | | | | | | | |
| T Ackley | 16.98 | 17.28 | 17.50 | 17.58 | 17.62 | 17.79 | 16.84 | 18.11 | 17.52 | 16.32 |
| T Antigo | 17.02 | 17.50 | 18.13 | 18.35 | 18.55 | 19.05 | 18.30 | 19.49 | 18.93 | 17.75 |
| T Evergreen | 20.40 | 20.36 | 21.94 | 20.75 | 19.57 | 20.58 | 20.27 | 20.62 | 20.68 | 19.37 |
| T Langlade | 16.09 | 16.55 | 17.01 | 17.16 | 17.34 | 17.81 | 17.12 | 18.39 | 17.92 | 16.80 |
| T Neva | 17.45 | 17.86 | 18.07 | 18.26 | 17.77 | 18.13 | 17.52 | 18.62 | 18.01 | 16.26 |
| T Norwood | 16.07 | 16.59 | 17.00 | 17.31 | 17.63 | 18.05 | 17.34 | 18.61 | 18.00 | 16.85 |
| T Peck | 15.39 | 15.86 | 16.05 | 16.34 | 16.65 | 17.04 | 16.33 | 17.52 | 16.96 | 15.92 |
| T Polar | 16.21 | 16.75 | 17.32 | 17.67 | 17.89 | 18.24 | 17.53 | 18.85 | 18.32 | 17.06 |
| T Price | 15.61 | 16.09 | 16.47 | 16.79 | 17.07 | 17.50 | 16.78 | 18.05 | 17.48 | 16.26 |
| T Rolling | 19.24 | 17.56 | 17.98 | 18.29 | 18.65 | 19.05 | 18.23 | 19.50 | 18.89 | 17.78 |
| T Summit | 15.62 | 16.19 | 16.47 | 16.65 | 16.93 | 17.37 | 16.67 | 17.94 | 17.29 | 16.16 |
| T Upham | 14.20 | 14.69 | 13.25 | 13.38 | 13.62 | 14.23 | 13.55 | 13.78 | 13.67 | 13.44 |
| T Vilas | 16.31 | 16.92 | 17.33 | 17.62 | 17.46 | 17.89 | 17.20 | 18.48 | 17.86 | 16.74 |
| T Wolf River | 19.95 | 19.96 | 21.41 | 20.14 | 19.03 | 20.00 | 19.74 | 20.08 | 20.16 | 18.90 |
| V White Lake | 24.82 | 25.21 | 27.51 | 26.00 | 24.92 | 26.06 | 26.15 | 26.54 | 26.92 | 25.65 |
| C Antigo | 24.19 | 25.23 | 25.35 | 25.45 | 25.78 | 26.01 | 25.50 | 26.48 | 25.87 | 25.61 |
| <u>Lincoln County</u> | | | | | | | | | | |
| T Birch | 16.66 | 16.83 | 17.26 | 17.61 | 18.27 | 18.42 | 17.23 | 17.08 | 17.44 | 15.96 |
| T Corning | 18.29 | 18.48 | 18.90 | 19.30 | 19.97 | 20.20 | 18.97 | 19.15 | 19.46 | 17.87 |
| T Harding | 17.32 | 17.55 | 17.95 | 18.31 | 18.93 | 19.12 | 17.58 | 17.79 | 18.14 | 16.64 |
| T Harrison | 17.18 | 17.41 | 16.66 | 16.35 | 16.54 | 17.54 | 16.13 | 16.31 | 16.16 | 15.05 |

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 | | | | | | | | | |
|-----------------------------------|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| <u>Lincoln County</u> (Continued) | | | | | | | | | | |
| T Merrill | 17.87 | 17.94 | 18.37 | 18.73 | 19.37 | 19.51 | 18.32 | 18.54 | 19.01 | 17.36 |
| T Pine River | 18.62 | 18.86 | 19.23 | 19.67 | 20.39 | 20.64 | 19.35 | 19.51 | 19.84 | 18.08 |
| T Rock Falls | 17.34 | 17.56 | 17.71 | 17.93 | 18.55 | 18.83 | 17.62 | 17.89 | 18.14 | 16.76 |
| T Russell | 18.11 | 18.36 | 18.79 | 19.14 | 19.67 | 19.78 | 18.55 | 18.76 | 19.20 | 17.62 |
| T Schley | 17.17 | 17.38 | 17.79 | 18.16 | 18.82 | 18.98 | 17.75 | 17.98 | 18.34 | 16.84 |
| T Scott | 18.57 | 18.81 | 19.20 | 19.69 | 20.41 | 20.51 | 19.20 | 19.50 | 19.81 | 18.28 |
| C Merrill | 31.08 | 30.93 | 32.37 | 32.08 | 33.00 | 31.02 | 29.17 | 29.48 | 29.79 | 27.88 |
| <u>Marathon County</u> | | | | | | | | | | |
| T Bergen | 16.75 | 16.92 | 16.99 | 17.48 | 18.16 | 19.25 | 18.99 | 19.11 | 18.52 | 17.54 |
| T Berlin | 19.15 | 19.49 | 19.90 | 20.21 | 19.98 | 20.69 | 20.66 | 20.79 | 20.45 | 19.63 |
| T Bern | 16.10 | 17.13 | 18.60 | 19.18 | 19.02 | 19.89 | 19.83 | 19.48 | 19.74 | 18.86 |
| T Bevent | 16.92 | 17.13 | 17.86 | 18.23 | 18.88 | 18.82 | 18.99 | 17.84 | 17.65 | 19.67 |
| T Brighton | 19.23 | 20.10 | 20.04 | 19.58 | 19.85 | 20.50 | 20.91 | 20.11 | 18.92 | 18.99 |
| T Cassel | 17.78 | 18.13 | 18.48 | 18.51 | 18.57 | 18.91 | 19.20 | 19.27 | 18.41 | 17.70 |
| T Cleveland | 17.89 | 17.64 | 18.35 | 17.99 | 18.14 | 19.15 | 18.93 | 18.86 | 18.11 | 17.34 |
| T Day | 19.01 | 19.80 | 19.99 | 19.66 | 20.13 | 20.58 | 20.36 | 20.03 | 19.31 | 18.50 |
| T Easton | 20.37 | 20.98 | 21.29 | 22.15 | 22.34 | 21.92 | 21.75 | 21.17 | 20.67 | 19.94 |
| T Eau Pleine | 17.39 | 16.61 | 17.13 | 16.88 | 17.17 | 18.12 | 17.83 | 17.77 | 16.95 | 16.21 |
| T Elderon | 15.64 | 15.95 | 16.25 | 17.50 | 17.78 | 17.45 | 17.91 | 17.71 | 16.73 | 16.86 |
| T Emmet | 17.35 | 17.61 | 17.83 | 17.98 | 18.34 | 18.68 | 18.58 | 18.69 | 17.93 | 17.07 |
| T Frankfort | 18.01 | 18.26 | 18.50 | 18.66 | 18.69 | 19.48 | 19.49 | 18.83 | 18.21 | 17.68 |
| T Franzen | 17.03 | 17.39 | 17.06 | 18.36 | 18.69 | 17.69 | 17.88 | 17.67 | 16.99 | 17.16 |
| T Green Valley | 18.27 | 18.52 | 19.03 | 19.14 | 19.57 | 20.74 | 20.48 | 20.46 | 19.74 | 18.51 |
| T Guenther | 19.41 | 19.68 | 19.59 | 20.10 | 20.99 | 21.77 | 21.98 | 21.52 | 20.83 | 19.64 |
| T Halsey | 17.04 | 18.15 | 19.90 | 20.53 | 20.42 | 21.28 | 20.07 | 19.72 | 20.15 | 19.24 |
| T Hamburg | 17.61 | 18.10 | 18.83 | 19.47 | 20.10 | 19.95 | 19.26 | 19.39 | 19.63 | 18.47 |
| T Harrison | 14.57 | 15.19 | 15.74 | 16.44 | 16.74 | 17.15 | 16.54 | 17.75 | 17.25 | 16.55 |
| T Hewitt | 20.84 | 21.16 | 21.57 | 22.21 | 21.95 | 22.55 | 22.59 | 22.66 | 22.20 | 21.22 |
| T Holton | 17.07 | 17.18 | 16.72 | 17.96 | 18.07 | 18.60 | 18.88 | 17.62 | 17.25 | 17.01 |
| T Hull | 17.29 | 17.52 | 17.85 | 18.08 | 18.11 | 18.78 | 19.46 | 18.03 | 17.71 | 17.59 |
| T Johnson | 17.50 | 18.29 | 18.85 | 20.10 | 19.76 | 20.39 | 20.32 | 19.26 | 19.90 | 19.09 |
| T Knowlton | 16.66 | 16.85 | 16.96 | 17.40 | 18.13 | 19.29 | 19.06 | 19.16 | 18.43 | 17.35 |
| T Maine | | | | 22.11 | 21.83 | 21.98 | 21.93 | 22.13 | 21.95 | 20.95 |
| T Marathon | 18.04 | 18.09 | 18.92 | 18.42 | 18.77 | 18.77 | 19.72 | 19.66 | 18.66 | 18.09 |
| T McMillan | 16.68 | 18.09 | 18.14 | 18.44 | 18.55 | 19.48 | 19.61 | 19.11 | 18.76 | 18.53 |
| T Mosinee | 17.08 | 17.34 | 17.50 | 17.87 | 18.60 | 19.60 | 19.51 | 19.56 | 18.89 | 17.74 |
| T Norrie | 16.30 | 16.95 | 17.26 | 17.42 | 17.66 | 17.55 | 17.59 | 17.37 | 16.54 | 16.56 |
| T Plover | 17.94 | 18.39 | 18.95 | 20.12 | 20.43 | 20.00 | 20.15 | 20.51 | 19.70 | 19.20 |
| T Reid | 16.33 | 16.65 | 16.89 | 17.83 | 18.27 | 18.62 | 18.70 | 18.55 | 17.76 | 17.46 |
| T Rib Falls | 17.92 | 18.17 | 18.78 | 18.82 | 18.67 | 18.84 | 19.34 | 19.36 | 18.59 | 17.88 |
| T Rib Mountain | 20.76 | 21.13 | 21.25 | 21.75 | 21.29 | 22.18 | 21.99 | 21.95 | 21.65 | 20.79 |
| T Rietbrock | 17.14 | 18.16 | 19.33 | 19.89 | 19.73 | 20.56 | 20.39 | 20.14 | 20.20 | 19.27 |
| T Ringle | 17.01 | 17.58 | 17.87 | 18.53 | 18.63 | 19.65 | 19.32 | 18.82 | 18.33 | 17.72 |
| T Spencer | 18.88 | 20.10 | 19.77 | 18.82 | 19.22 | 19.82 | 20.11 | 19.89 | 18.18 | 18.66 |
| T Stettin | 20.05 | 20.22 | 20.66 | 20.88 | 20.78 | 21.45 | 21.72 | 21.78 | 21.36 | 20.61 |
| T Texas | 20.66 | 21.00 | 21.35 | 20.97 | 20.66 | 21.44 | 21.38 | 21.50 | 21.22 | 20.31 |
| T Wausau | 20.58 | 21.01 | 21.26 | 21.73 | 21.46 | 21.64 | 21.03 | 20.90 | 20.79 | 20.01 |

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 | | | | | | | | | |
|------------------------------------|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| <u>Marathon County</u> (Continued) | | | | | | | | | | |
| T Weston | 19.05 | 19.56 | 18.38 | 19.08 | 19.09 | 19.12 | 18.81 | 18.31 | 17.87 | 17.24 |
| T Wien | 17.91 | 18.56 | 18.45 | 18.46 | 18.21 | 19.06 | 18.63 | 18.81 | 18.08 | 17.18 |
| V Athens | 22.05 | 23.21 | 24.27 | 25.08 | 25.13 | 26.17 | 26.30 | 25.63 | 25.68 | 24.74 |
| V Birnamwood | 17.63 | 18.06 | 18.43 | 19.73 | 19.86 | 19.37 | 19.83 | 19.56 | 18.77 | 19.03 |
| V Brokaw | 23.37 | 33.50 | 34.02 | 47.00 | 37.93 | 43.17 | 38.81 | 30.08 | 28.97 | 25.79 |
| V Dorchester | 20.27 | 20.16 | 20.40 | 23.75 | 22.80 | 23.48 | 22.35 | 20.69 | 21.93 | 21.43 |
| V Edgar | 22.16 | 22.89 | 22.68 | 23.02 | 22.89 | 23.37 | 22.72 | 22.85 | 22.32 | 21.16 |
| V Elderon | 16.22 | 16.52 | 16.87 | 18.18 | 18.55 | 18.28 | 18.64 | 18.33 | 17.57 | 17.59 |
| V Fenwood | 18.24 | 19.03 | 18.82 | 18.90 | 18.64 | 19.46 | 18.91 | 19.12 | 18.53 | 17.57 |
| V Hatley | 19.43 | 19.57 | 19.92 | 20.41 | 20.50 | 21.39 | 21.24 | 20.47 | 20.04 | 19.32 |
| V Kronenwetter | 20.08 | 20.49 | 19.84 | 21.69 | 22.07 | 22.86 | 22.60 | 21.95 | 21.12 | 19.89 |
| V Maine | 20.32 | 21.02 | 21.69 | | | | | | | |
| V Marathon | 23.19 | 23.14 | 23.92 | 23.75 | 23.98 | 23.94 | 25.00 | 24.55 | 23.53 | 22.79 |
| V Rothschild | 23.39 | 23.91 | 24.06 | 24.91 | 24.72 | 25.53 | 24.89 | 23.86 | 23.45 | 22.91 |
| V Spencer | 24.13 | 25.41 | 24.73 | 23.95 | 24.75 | 25.11 | 25.27 | 25.19 | 23.18 | 23.63 |
| V Stratford | 21.00 | 20.79 | 21.05 | 20.60 | 21.47 | 22.49 | 22.26 | 22.05 | 21.19 | 20.29 |
| V Unity | 18.75 | 19.04 | 19.21 | 19.70 | 19.90 | 20.84 | 21.40 | 20.14 | 19.29 | 18.93 |
| V Weston | 22.49 | 23.03 | 23.01 | 23.73 | 23.66 | 24.40 | 23.99 | 23.14 | 22.76 | 21.89 |
| C Abbotsford | 25.16 | 24.04 | 20.95 | 23.98 | 24.30 | 24.54 | 24.58 | 23.26 | 23.01 | 22.44 |
| C Colby | 23.09 | 23.79 | 24.22 | 24.32 | 24.92 | 26.08 | 25.88 | 24.16 | 23.00 | 22.95 |
| C Mosinee | 22.33 | 22.72 | 23.09 | 23.53 | 23.68 | 24.52 | 24.20 | 23.81 | 22.90 | 21.76 |
| C Schofield | 24.33 | 23.61 | 24.02 | 25.47 | 24.87 | 25.54 | 25.21 | 24.73 | 24.43 | 23.40 |
| C Wausau | 26.66 | 27.08 | 27.60 | 27.49 | 26.77 | 27.89 | 27.49 | 27.29 | 27.03 | 26.00 |
| <u>Menominee County</u> | | | | | | | | | | |
| T Menominee | 21.23 | 20.25 | 20.46 | 22.86 | 22.48 | 22.71 | 21.63 | 20.61 | 20.49 | 19.08 |
| <u>Portage County</u> | | | | | | | | | | |
| T Alban | 19.33 | 19.64 | 20.13 | 20.13 | 20.71 | 20.94 | 20.66 | 19.22 | 19.40 | 21.15 |
| T New Hope | 16.98 | 17.22 | 17.58 | 17.49 | 17.89 | 18.67 | 18.53 | 17.69 | 17.58 | 17.77 |
| T Sharon | 17.75 | 17.67 | 18.29 | 18.42 | 18.56 | 19.76 | 19.52 | 18.69 | 18.41 | 19.75 |
| T Stockton | 16.82 | 16.27 | 17.02 | 17.34 | 17.21 | 19.07 | 18.75 | 18.20 | 18.14 | 18.48 |
| V Rosholt | 23.62 | 21.99 | 23.38 | 23.61 | 24.50 | 24.98 | 22.99 | 21.81 | 21.40 | 23.19 |
| <u>Price County</u> | | | | | | | | | | |
| T Catawba | 16.95 | 17.17 | 17.42 | 17.78 | 16.93 | 17.89 | 18.04 | 17.27 | 17.56 | 16.19 |
| T Eisenstein | 17.32 | 16.78 | 16.57 | 16.85 | 14.80 | 16.36 | 16.13 | 15.43 | 17.00 | 16.10 |
| T Elk | 17.42 | 17.74 | 17.82 | 18.89 | 17.47 | 18.33 | 18.63 | 17.69 | 18.01 | 16.59 |
| T Emery | 16.75 | 17.10 | 17.23 | 17.93 | 16.88 | 17.72 | 17.99 | 17.17 | 17.47 | 16.03 |
| T Fifield | 19.36 | 18.91 | 18.60 | 18.39 | 16.67 | 18.35 | 18.20 | 17.43 | 19.03 | 18.36 |
| T Flambeau | 17.54 | 17.89 | 17.97 | 18.91 | 17.58 | 18.72 | 18.39 | 17.50 | 17.74 | 16.30 |
| T Georgetown | 16.95 | 17.35 | 17.46 | 18.26 | 17.16 | 18.06 | 18.29 | 17.45 | 17.67 | 16.44 |
| T Hackett | 19.54 | 18.43 | 19.75 | 19.95 | 18.30 | 19.66 | 19.13 | 18.99 | 19.23 | 17.82 |
| T Harmony | 17.58 | 18.02 | 18.17 | 19.29 | 17.77 | 18.56 | 18.63 | 17.84 | 18.11 | 16.65 |
| T Hill | 20.26 | 19.44 | 20.41 | 19.56 | 18.42 | 19.88 | 19.29 | 19.17 | 19.31 | 18.09 |
| T Kennan | 18.08 | 18.51 | 18.57 | 19.31 | 17.84 | 18.77 | 19.04 | 18.16 | 18.31 | 17.26 |
| T Knox | 19.21 | 17.71 | 19.40 | 18.90 | 17.70 | 19.68 | 19.16 | 19.27 | 19.53 | 18.31 |
| T Lake | 18.46 | 17.60 | 17.00 | 16.88 | 15.86 | 17.50 | 17.17 | 16.43 | 17.83 | 17.01 |
| T Ogema | 21.59 | 20.22 | 21.34 | 21.19 | 19.06 | 20.98 | 19.48 | 19.61 | 19.84 | 18.60 |

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 | | | | | | | | | |
|---------------------------------|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| <u>Price County (Continued)</u> | | | | | | | | | | |
| T Prentice | 20.66 | 18.49 | 20.19 | 19.54 | 18.41 | 20.07 | 19.23 | 19.44 | 19.54 | 18.24 |
| T Spirit | 19.59 | 19.75 | 19.91 | 20.18 | 19.18 | 20.44 | 19.94 | 19.49 | 19.45 | 18.25 |
| T Worcester | 16.72 | 17.08 | 17.17 | 17.94 | 16.86 | 17.69 | 17.95 | 17.12 | 17.36 | 15.89 |
| V Catawba | 16.68 | 17.06 | 17.18 | 17.62 | 16.89 | 17.81 | 17.99 | 17.22 | 17.55 | 16.11 |
| V Kennan | 16.57 | 16.94 | 17.09 | 17.52 | 16.80 | 17.72 | 17.89 | 17.16 | 17.45 | 15.99 |
| V Prentice | 23.48 | 22.07 | 23.51 | 23.06 | 21.83 | 23.54 | 22.89 | 23.09 | 23.30 | 21.81 |
| C Park Falls | 29.90 | 29.39 | 28.92 | 29.29 | 27.18 | 29.82 | 27.41 | 25.45 | 27.17 | 25.73 |
| C Phillips | 26.00 | 26.03 | 25.79 | 27.78 | 25.58 | 26.27 | 26.74 | 25.81 | 25.88 | 23.99 |
| <u>Shawano County</u> | | | | | | | | | | |
| T Almon | 19.41 | 18.28 | 18.45 | 18.51 | 18.41 | 19.09 | 19.25 | 19.31 | 18.09 | 15.98 |
| T Aniwa | 15.76 | 16.13 | 16.53 | 17.41 | 17.66 | 17.46 | 17.50 | 17.77 | 17.08 | 16.58 |
| T Bartelme | 17.87 | 16.42 | 16.63 | 16.61 | 16.50 | 17.26 | 17.35 | 17.40 | 16.23 | 14.07 |
| T Birnamwood | 15.79 | 16.21 | 16.49 | 17.65 | 17.86 | 17.45 | 17.91 | 17.58 | 16.74 | 16.55 |
| T Fairbanks | 20.20 | 21.22 | 21.34 | 21.42 | 21.25 | 21.80 | 20.69 | 20.40 | 20.62 | 18.70 |
| T Germania | 17.34 | 18.21 | 18.34 | 18.74 | 18.67 | 18.80 | 18.34 | 18.07 | 17.80 | 16.68 |
| T Grant | 19.05 | 18.51 | 20.17 | 19.84 | 19.77 | 20.96 | 19.73 | 19.05 | 19.39 | 18.04 |
| T Hutchins | 16.69 | 16.63 | 17.03 | 17.35 | 17.48 | 17.97 | 17.64 | 18.31 | 17.63 | 16.33 |
| T Morris | 18.75 | 18.91 | 19.13 | 19.35 | 19.30 | 19.73 | 19.44 | 19.27 | 18.71 | 17.09 |
| T Seneca | 19.84 | 18.51 | 18.93 | 18.45 | 18.47 | 19.26 | 19.14 | 19.04 | 18.16 | 16.10 |
| T Wittenberg | 16.04 | 16.47 | 16.76 | 17.92 | 18.05 | 17.70 | 18.16 | 17.81 | 16.94 | 16.79 |
| V Aniwa | 14.86 | 15.44 | 15.92 | 16.46 | 16.74 | 17.07 | 16.45 | 17.57 | 17.08 | 16.12 |
| V Birnamwood | 19.55 | 19.49 | 19.94 | 20.84 | 21.26 | 20.54 | 20.62 | 20.23 | 19.53 | 19.49 |
| V Bowler | 18.21 | 17.21 | 17.42 | 17.41 | 17.31 | 17.97 | 18.14 | 18.17 | 16.97 | 14.72 |
| V Eland | 16.16 | 16.71 | 17.02 | 18.00 | 18.68 | 18.29 | 18.69 | 18.35 | 17.39 | 16.95 |
| V Mattoon | 19.20 | 17.17 | 17.62 | 18.43 | 18.66 | 17.20 | 18.74 | 19.73 | 18.81 | 17.63 |
| V Tigerton | 23.98 | 24.68 | 25.04 | 25.16 | 25.13 | 25.24 | 24.11 | 23.57 | 23.56 | 21.11 |
| V Wittenberg | 20.46 | 20.42 | 20.38 | 21.25 | 21.13 | 20.55 | 21.00 | 20.90 | 20.05 | 19.74 |
| <u>Taylor County</u> | | | | | | | | | | |
| T Browning | 19.27 | 19.58 | 19.41 | 19.44 | 19.00 | 19.99 | 19.91 | 19.57 | 19.01 | 17.89 |
| T Chelsea | 19.23 | 19.16 | 18.99 | 18.98 | 18.57 | 19.54 | 19.33 | 18.97 | 18.40 | 17.26 |
| T Deer Creek | 20.42 | 20.67 | 20.48 | 20.54 | 20.09 | 21.08 | 20.99 | 20.58 | 20.00 | 18.80 |
| T Goodrich | 19.79 | 20.03 | 19.85 | 19.89 | 19.43 | 20.42 | 20.35 | 19.98 | 19.38 | 18.30 |
| T Greenwood | 19.48 | 20.62 | 20.48 | 21.79 | 21.11 | 21.74 | 21.63 | 20.78 | 20.62 | 19.19 |
| T Grover | 21.43 | 22.08 | 22.20 | 22.23 | 22.26 | 22.63 | 21.67 | 20.84 | 20.59 | 18.83 |
| T Hammel | 20.84 | 20.89 | 20.42 | 20.45 | 19.94 | 21.00 | 20.84 | 20.31 | 19.53 | 18.42 |
| T Holway | 20.43 | 20.72 | 20.67 | 20.28 | 19.83 | 21.27 | 20.73 | 20.36 | 19.50 | 17.91 |
| T Little Black | 20.51 | 20.40 | 19.93 | 20.04 | 19.60 | 20.74 | 20.63 | 20.19 | 19.61 | 18.42 |
| T Maplehurst | 19.33 | 20.10 | 20.48 | 20.33 | 20.74 | 20.03 | 20.28 | 20.65 | 21.06 | 19.28 |
| T Medford | 19.72 | 19.94 | 19.77 | 19.79 | 19.37 | 20.36 | 20.32 | 19.98 | 19.41 | 18.19 |
| T Molitor | 20.68 | 21.00 | 20.76 | 20.81 | 20.36 | 21.35 | 21.20 | 20.91 | 20.34 | 19.26 |
| T Rib Lake | 20.31 | 21.40 | 21.29 | 22.63 | 21.91 | 22.59 | 22.57 | 21.61 | 21.45 | 20.03 |
| T Westboro | 20.56 | 21.80 | 21.72 | 23.03 | 22.23 | 22.81 | 22.89 | 22.01 | 21.88 | 20.42 |
| V Rib Lake | 24.03 | 25.14 | 25.26 | 26.35 | 25.62 | 26.45 | 26.75 | 26.01 | 25.99 | 24.06 |
| V Stetsonville | 20.22 | 20.52 | 19.90 | 19.89 | 19.28 | 20.41 | 20.46 | 19.98 | 19.49 | 18.23 |
| C Medford | 24.54 | 24.97 | 24.88 | 24.76 | 24.29 | 25.35 | 25.18 | 24.76 | 24.14 | 22.66 |

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 | | | | | | | | | |
|-----------------------|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| <u>Waupaca County</u> | | | | | | | | | | |
| T Harrison | 19.61 | 19.71 | 20.47 | 20.14 | 20.20 | 20.52 | 20.35 | 19.23 | 19.27 | 19.63 |
| T Wyoming | 17.73 | 16.78 | 18.44 | 18.91 | 19.12 | 20.13 | 19.05 | 18.17 | 18.37 | 17.35 |

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, 2019 | | | Year Ended June 30, 2010 | | |
|--|--|--------------------------|------|--|--------------------------|------|--|
| | | 2018 Equalized Valuation | Rank | Percent of NTC Total Equalized Valuation | 2009 Equalized Valuation | Rank | Percent of NTC Total Equalized Valuation |
| Marshfield Clinic | Healthcare | \$50,637,700 | 1 | 0.31% | \$46,681,700 | 2 | 0.30% |
| Spirit Falls Timber, LLC | Forestry | 41,473,300 | 2 | 0.25% | | | |
| Greenheck Fan Corporation | Manufacturer of industrial fans | 33,834,400 | 3 | 0.20% | 24,092,600 | 9 | 0.15% |
| Apogee Wausau Group Inc. | Door and window manufacturer | 33,299,500 | 4 | 0.20% | 32,039,900 | 5 | 0.21% |
| Aspirus Wausau Hospital Inc. | Healthcare | 33,080,800 | 5 | 0.20% | 28,848,100 | 6 | 0.18% |
| Abbyland Foods Inc. | Food manufacturing | 29,889,200 | 6 | 0.18% | | | |
| Saint Clare's Hospital of Weston | Healthcare | 28,468,800 | 7 | 0.17% | | | |
| Kocurek Holdings LLC | Retail | 25,883,600 | 8 | 0.16% | | | |
| First Wausau Tower LLC | Commercial high-rise building | 25,271,100 | 9 | 0.15% | | | |
| Packaging Corporation of America | Paper mill/manufacturer of corrugated medium | 23,255,900 | 10 | 0.14% | 23,949,900 | 10 | 0.15% |
| Potlatch Forest Holdings | Timber | | | | 48,700,300 | 1 | 0.31% |
| Employers Insurance of Wausau | Insurance | | | | 43,327,000 | 3 | 0.28% |
| Wausau-Mosinee Paper Corporation | Manufacturer of paper products | | | | 35,788,200 | 4 | 0.23% |
| Wal-Mart Properties | Retail | | | | 26,075,500 | 7 | 0.17% |
| Menards Inc. | Retail | | | | 24,459,400 | 8 | 0.16% |
| Totals | | \$325,094,300 | | 1.96% | \$333,962,600 | | 2.14% |
| Northcentral Technical College Equalized Valuation (TID Out) | | \$16,540,469,445 | | | \$15,628,355,047 | | |

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, 2019 | |
|----------------------------------|-------------------------------------|---|-----------------------|---------------------------------------|--|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 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% |
| 2019 | 20,881,030 | 14,934,637 | 71.52% | 5,946,393 | 20,881,030 | 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

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Obligation Debt | | | | | | | | | | |
| General obligation notes | \$48,900,000 | \$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 |
| Plus deferred premium | 1,564,914 | 1,085,436 | 1,043,242 | 846,977 | 675,454 | 607,005 | 554,005 | 339,765 | 247,128 | 125,301 |
| Debt service fund assets available | (3,945,931) | (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) |
| Net general obligation debt | \$46,518,983 | \$44,328,220 | \$43,801,381 | \$44,310,634 | \$39,407,828 | \$37,375,305 | \$35,559,095 | \$30,519,369 | \$28,970,152 | \$27,006,126 |
| Per capita | \$216.26 | \$207.22 | \$204.24 | \$206.84 | \$183.69 | \$174.29 | \$155.71 | \$133.82 | \$122.65 | \$114.59 |
| Per full-time equivalent student | \$16,628.18 | \$14,381.54 | \$13,511.02 | \$12,949.89 | \$11,501.91 | \$10,106.62 | \$9,456.45 | \$8,164.41 | \$7,538.62 | \$7,312.99 |
| Percent of equalized value | 0.27% | 0.26% | 0.27% | 0.28% | 0.25% | 0.24% | 0.23% | 0.19% | 0.18% | 0.16% |
| Percent of personal income | 0.44% | 0.43% | 0.44% | 0.46% | 0.42% | 0.41% | 0.41% | 0.35% | 0.35% | 0.34% |
| General Obligation and Other Debt | | | | | | | | | | |
| General obligation notes | \$48,900,000 | \$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 |
| Plus deferred premium | 1,564,914 | 1,085,436 | 1,043,242 | 846,977 | 675,454 | 607,005 | 554,005 | 339,765 | 247,128 | 125,301 |
| Plus capital lease obligations | | | | | | | 4,773 | 60,253 | 112,559 | 161,870 |
| General obligation and other debt | \$50,464,914 | \$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 |
| Per capita | \$234.60 | \$221.14 | \$215.74 | \$216.11 | \$192.33 | \$181.27 | \$160.59 | \$139.98 | \$128.17 | \$119.78 |
| Per full-time equivalent student | \$18,038.65 | \$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 |
| Percent of equalized value | 0.29% | 0.28% | 0.28% | 0.29% | 0.26% | 0.25% | 0.24% | 0.20% | 0.19% | 0.17% |
| Percent of personal income | 0.47% | 0.46% | 0.46% | 0.48% | 0.44% | 0.42% | 0.42% | 0.37% | 0.36% | 0.36% |

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, 2019

| Name of Entity (1) | Net Debt Outstanding | Percent Applicable to District (2) | Outstanding Debt Applicable to District |
|--|----------------------|---------------------------------------|---|
| Clark County | \$2,963,492 | 27.27 % | \$808,144 |
| Langlade County | 2,965,000 | 68.08 | 2,018,572 |
| Lincoln County | 15,245,000 | 49.00 | 7,470,050 |
| Marathon County | 5,480,000 | 96.81 | 5,305,188 |
| Menominee County | 693,251 | 100.00 | 693,251 |
| Portage County | 1,985,000 | 4.21 | 83,569 |
| Price County | 0 | 100.00 | 0 |
| Shawano County | 808,828 | 20.78 | 168,074 |
| Taylor County | 2,100,000 | 79.82 | 1,676,220 |
| Waupaca County | 36,540,000 | 0.72 | 263,088 |
| Total Cities | 91,117,519 | 100.00 | 91,117,519 |
| Total Towns | 14,015,169 | Varies | 13,357,009 |
| Total Villages | 45,725,090 | 100.00 | 45,725,090 |
| Total School Districts | 239,299,820 | Varies | 237,742,051 |
| Total Sanitary Districts | 1,038,785 | 100.00 | 1,038,785 |
| Subtotal, overlapping debt | | | 407,466,610 |
| District direct debt: | | | |
| General Obligation Notes | | | 48,900,000 |
| Deferred Premium | | | 1,564,914 |
| Subtotal, District direct debt | | | 50,464,914 |
| Total direct and overlapping debt | | | \$457,931,524 |
| 2018 equalized valuation - TID In | | | \$17,475,451,145 |
| Direct, overlapping, and underlying indebtedness as a percentage of equalized valuation | | | 2.62% |
| Population of District | | | 215,110 |
| Direct and overlapping, indebtedness per capita | | | \$2,129 |

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, 2019

Legal Debt Margin Calculation for Fiscal Year 2019

| | | |
|---|--------------|------------------|
| 2018 Equalized Valuation - TID In | | \$17,475,451,145 |
| | | x 5% |
| <hr/> | | |
| Total debt limit - 5% of equalized valuation | | 873,772,557 |
| Debt applicable to limit: | | |
| General obligation notes | \$48,900,000 | |
| Less: Debt service funds available (GAAP Basis) | 3,945,931 | |
| <hr/> | | |
| Total amount of debt applicable to debt limit | | 44,954,069 |
| <hr/> | | |
| Legal total debt margin | | \$828,818,488 |

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 |
|-------------|---------------|--|-------------------|---|
| 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% |
| 2019 | 873,772,557 | 44,954,069 | 828,818,488 | 5.14% |

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 2010 to 2019, 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 |
| 2010 | 235,667 | 134,063 | 28,743 | 19,977 | 4,232 | 14,159 | 20,689 | \$7,929,894 | \$37,343 | \$34,857 | \$33,028 | \$25,343 | \$35,866 | \$31,366 | 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 | 8,326,373 | 39,439 | 36,462 | 34,725 | 25,371 | 37,120 | 32,557 | 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 | 8,739,157 | 41,527 | 37,386 | 36,801 | 26,612 | 39,600 | 34,693 | 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 | 8,777,605 | 41,573 | 37,664 | 37,341 | 27,641 | 38,797 | 35,407 | 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 | 9,179,096 | 43,645 | 39,121 | 38,750 | 27,288 | 41,174 | 36,649 | 3.9 | 5.2 | 6.4 | 9.8 | 4.4 | 5.0 |
| 2015 | 214,532 | 135,341 | 28,835 | 19,907 | 4,244 | 14,133 | 20,715 | 9,479,920 | 44,866 | 41,044 | 40,606 | 29,396 | 42,739 | 38,217 | 3.5 | 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 | 9,670,575 | 46,201 | 42,450 | 40,308 | 28,748 | 43,161 | 37,626 | 3.0 | 4.0 | 4.5 | 6.3 | 4.3 | 4.2 |
| 2017 | 214,465 | 134,943 | 28,830 | 20,072 | 4,248 | 14,028 | 20,692 | 9,992,768 | 47,617 | 43,935 | 41,836 | 28,761 | 44,166 | 38,313 | 2.4 | 2.8 | 3.7 | 4.3 | 3.5 | 3.4 |
| 2018 | 213,917 | 135,922 | 28,862 | 20,131 | 4,258 | 14,046 | 20,746 | 10,325,966 | 49,076 | 45,472 | 43,422 | 28,774 | 45,194 | 39,013 | 2.4 | 2.9 | 3.7 | 4.3 | 3.5 | 3.6 |
| 2019 | 215,110 | 136,354 | 20,957 | 20,086 | 4,265 | 14,216 | 20,849 | 10,670,551 | 50,581 | 47,063 | 45,068 | 28,787 | 46,247 | 39,725 | 3.1 | 3.4 | 3.8 | 8.6 | 4.1 | 3.2 |

Notes:

- (1) Marathon, Lincoln, and Taylor Counties are the most populous counties in the District. The District includes almost all of the above six (6) counties and parts of four (4) other counties. These six counties comprise over 91% of the District's total equalized valuation.
- (2) Source: Wisconsin Department of Administration, Demographic Services Center (including 2010 Census).
- (3) Source: Wisconsin Technical College System (based on Wisconsin Department of Administration Final Population Estimates).
- (4) Source: U.S. Department of Commerce, Bureau of Economic Analysis.
*Figures for 2018 and 2019 are estimates based on the rate of change from 2016 to 2017, subject to future revision.
- (5) Source: U.S. Department of Commerce, Bureau of Economic Analysis. Total includes Marathon, Lincoln, Langlade, Menominee, Price, and Taylor counties only. Amounts in thousands.
*Figures for 2018 and 2019 are estimates based on the rate of change from 2016 to 2017, subject to future revision.
- (6) Source: Wisconsin Department of Workforce Development. 2019 Unemployment rates are through June 30, 2019.

Northcentral Technical College District

Principal Employers

Current Year and Nine Years Ago

| Name of Business | County | Type of Business | Year Ended June 30, 2019 | | | Year Ended June 30, 2010 | | |
|--|----------|---|--------------------------|------|--------------------------------|--------------------------|------|--------------------------------|
| | | | Number of Employees | Rank | Percent of District Population | Number of Employees | Rank | Percent of District Population |
| Aspirus Wausau Hospital Inc. | Marathon | Healthcare | 1,948 | 1 | 0.91 % | 2,141 | 2 | 0.91 % |
| Kolbe & Kolbe Millwork | Marathon | Manufacturer of windows/doors | 1,400 | 2 | 0.65 | 1,450 | 3 | 0.62 |
| Wausau School District | Marathon | Education | 1,300 | 3 | 0.60 | 1,300 | 4 | 0.55 |
| Sheet Metal Workers Local 565 | Marathon | Labor organization | 1,300 | 4 | 0.60 | | | |
| UMR (United Healthcare Services) | Marathon | Insurance | 1,200 | 5 | 0.56 | | | |
| Marathon Electric Motors | Marathon | Manufacturer of electric motors | 1,000 | 6 | 0.46 | | | |
| Aspirus Medford Hospital | Taylor | Healthcare | 880 | 7 | 0.41 | | | |
| Harley Davidson Motor Co. | Lincoln | Manufacturer of motorcycles | 840 | 8 | 0.39 | | | |
| Church Mutual Insurance Company | Lincoln | Insurance | 802 | 9 | 0.37 | 533 | 15 | 0.23 |
| Mount View Care Center | Marathon | Nursing and convalescent home | 800 | 10 | 0.37 | | | |
| Marathon County | Marathon | Government | 756 | 11 | 0.35 | | | |
| Wausau Insurance/Liberty Mutual | Marathon | Insurance | 700 | 12 | 0.33 | 1,000 | 9 | 0.42 |
| Marathon Cheese Corporation | Marathon | Cheese packaging | 700 | 13 | 0.33 | 1,000 | 11 | 0.42 |
| Nestle Pizza Corporation | Taylor | Manufacturer of frozen pizza | 600 | 14 | 0.28 | | | |
| Packaging Corporation of America | Lincoln | Paper mill/manufacturer of corrugated medium | 500 | 15 | 0.23 | 430 | 18 | 0.18 |
| Marquip Properties LLC | Price | Manufacturer of industrial equipment products | 500 | 16 | 0.23 | 1,047 | 7 | 0.44 |
| Hurd Windows & Doors, Inc. | Taylor | Manufacturer of windows/doors | 500 | 17 | 0.23 | | | |
| Lincoln County | Lincoln | Government | 459 | 18 | 0.21 | | | |
| Semco Windows & Doors | Lincoln | Manufacturer of windows/doors | 400 | 19 | 0.19 | | | |
| Ahlstrom Munksjo (previously Expera Specialty Solutions) | Lincoln | Manufacturer of paper | 400 | 20 | 0.19 | | | |
| Greenheck Fan Corporation | Marathon | Manufacturer of industrial fans | | | | 2,582 | 1 | 1.10 |
| Wausau-Mosinee Paper Corporation | Marathon | Manufacturer of paper products | | | | 1,284 | 5 | 0.54 |
| Weathershield Manufacturing Inc. | Taylor | Manufacturer of windows/doors | | | | 1,200 | 6 | 0.51 |
| Aspirus Clinic | Marathon | Healthcare | | | | 1,000 | 8 | 0.42 |
| Eastbay (Foot Locker) | Marathon | Sporting goods retail/distribution | | | | 1,000 | 10 | 0.42 |
| North Central Health Care | Marathon | Medical hospital | | | | 943 | 12 | 0.40 |
| Lincoln Wood Products Inc. | Lincoln | Manufacturer of windows/doors | | | | 600 | 13 | 0.25 |
| Price County Publications Inc. | Price | Publisher of newspapers without printing | | | | 600 | 14 | 0.25 |
| Merrill Area Common Public School District | Lincoln | Education | | | | 500 | 16 | 0.21 |
| Memorial Health Center, Inc. | Taylor | Healthcare | | | | 500 | 17 | 0.21 |
| Semling-Menke Co. Inc. | Lincoln | Manufacturer of window and door frames | | | | 400 | 19 | 0.17 |
| Kraft Pizza Co. (Tombstone) | Taylor | Manufacturer of frozen pizza | | | | 400 | 20 | 0.17 |
| Total | | | 16,985 | | 7.89 % | 19,910 | | 8.42 % |

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 | | | | | | | | | |
|-------------------------------------|-----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| District Totals: | | | | | | | | | | |
| Executive/Administrative/Managerial | 70 | 70 | 64 | 70 | 61 | 72 | 68 | 69 | 64 | 61 |
| Faculty | 133 | 138 | 140 | 137 | 129 | 121 | 124 | 134 | 147 | 152 |
| Secretarial/Clerical | 49 | 49 | 54 | 49 | 50 | 44 | 50 | 66 | 73 | 79 |
| Professional Nonfaculty | 40 | 33 | 40 | 31 | 36 | 22 | 17 | 21 | 27 | 32 |
| Technical/Paraprofessional | 37 | 40 | 43 | 44 | 52 | 46 | 46 | 53 | 53 | 44 |
| Skilled Craft | 7 | 8 | 8 | 8 | 9 | 7 | 8 | 7 | 7 | 7 |
| Service/Maintenance | 6 | 5 | 5 | 4 | 4 | 6 | 6 | 8 | 16 | 12 |
| District Total | 342 | 343 | 354 | 343 | 341 | 318 | 319 | 358 | 387 | 387 |

Sources:

2013-2019 NTC Human Resources Office

2010-2012 WTCS State Office

Northcentral Technical College District

Enrollment Statistics Historical Comparisons Last Ten Fiscal Years

| | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Student enrollment: | | | | | | | | | | |
| Associate degree | 31,191 | 31,654 | 32,168 | 32,940 | 32,733 | 33,582 | 33,364 | 32,702 | 33,672 | 31,250 |
| Vocational: | | | | | | | | | | |
| Diploma | 3,373 | 3,298 | 3,151 | 3,302 | 3,133 | 3,353 | 4,656 | 4,254 | 4,497 | 4,115 |
| Adult | 11,892 | 11,894 | 11,883 | 12,682 | 12,250 | 11,606 | 14,126 | 12,181 | 12,914 | 14,870 |
| Basic education | 10,860 | 12,412 | 13,738 | 14,174 | 12,217 | 16,005 | 14,993 | 15,638 | 16,031 | 17,047 |
| Total duplicated | 57,316 | 59,258 | 60,940 | 63,098 | 60,333 | 64,546 | 67,139 | 64,775 | 67,114 | 67,282 |
| Total unduplicated (A) | 31,191 | 31,263 | 31,287 | 33,193 | 23,958 | 24,766 | 26,466 | 24,745 | 25,712 | 27,039 |
| Full-time equivalent (B): | | | | | | | | | | |
| Associate degree | 2,119.9 | 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 |
| Vocational: | | | | | | | | | | |
| Diploma | 224.9 | 214.4 | 207.8 | 236.2 | 244.9 | 289.9 | 399.9 | 354.0 | 360.0 | 330.4 |
| Adult | 97.3 | 121.3 | 97.2 | 122.1 | 113.2 | 111.0 | 105.2 | 104.4 | 111.8 | 134.4 |
| Basic education | 355.5 | 403.0 | 449.5 | 460.1 | 409.9 | 521.4 | 492.3 | 489.5 | 526.9 | 575.3 |
| Total unduplicated | 2,797.6 | 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 |

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) |
| 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 |
| 2019 | 48,966,047 | 2.09 | 2,798 | (9.21) | 17,500 | 12.45 |

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 |
|-----------|---------------------|---------------------------------|---------------------------------|------------------|---|------------------------------|------------------------|
| 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 |
| 2017-2018 | 1445 | 875 | 570 | 94% | 83% | 69% | 3,375 |

Notes:

(1) Based on a survey of NTC graduates conducted approximately six months after graduation; therefore, 2018-2019 statistics are not available. Statistics include graduates of NTC's post-secondary 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

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| NTC - Wausau: | | | | | | | | | | |
| Main building | 330,370 | 330,370 | 330,370 | 330,370 | 326,370 | 323,745 | 322,305 | 322,305 | 322,305 | 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 | 485,576 | 481,576 | 478,951 | 477,511 | 477,511 | 477,511 | 462,929 |
| NTC - Antigo Campus | | | | | | | | | | |
| NTC - Phillips Campus | 29,600 | 29,600 | 29,600 | 29,600 | 29,600 | 29,600 | 17,500 | 17,500 | 17,500 | 17,500 |
| NTC - Spencer Campus | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 8,400 |
| NTC - Merrill Campus | 32,176 | 27,176 | 27,176 | 19,136 | 19,136 | 19,136 | 19,136 | 17,552 | 13,846 | 9,488 |
| NTC - Wittenberg Campus | 2,691 | 2,291 | 2,291 | 2,291 | 1,631 | | | | | |
| Agriculture Center of Excellence | 33,825 | 33,825 | 28,835 | 28,835 | 28,835 | 22,633 | 22,633 | 22,633 | | |
| Diesel Building | 9,000 | 9,000 | 9,000 | | | | | | | |
| CDL Building | 4,300 | 3,066 | | | | | | | | |
| Sub-Total | 195,707 | 189,073 | 181,017 | 163,977 | 163,317 | 155,484 | 143,384 | 141,800 | 115,461 | 82,558 |
| 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 - Wittenberg Campus | | | | | | 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 | 6,000 | | | | | |
| Sub-Total | 18,500 | 18,500 | 18,500 | 27,500 | 27,500 | 22,100 | 22,100 | 22,100 | 22,100 | 22,100 |
| Total square footage | 699,783 | 693,149 | 685,093 | 677,053 | 672,393 | 656,535 | 642,995 | 641,411 | 615,072 | 567,587 |

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 2019 & 2018
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, 2019, 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 November 25, 2019.

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.

Wipfli LLP

Wipfli LLP

November 25, 2019
Rhineland, Wisconsin



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

District Board
Northcentral Technical College District
Wausau, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Northcentral Technical College District's (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, 2019. 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, 2019.

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.

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

Wipfli LLP

November 25, 2019
Rhineland, Wisconsin

Northcentral Technical College District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

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 |
|---|------------|

| | |
|---|----|
| Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]? | No |
|---|----|

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 |
|---|-----------|

| | |
|--|-----|
| Auditee qualified as low-risk auditee? | Yes |
|--|-----|

Northcentral Technical College District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2019

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:

State ID Number

Name of State Program

292.105

General State Aids

292.162

Property Tax Relief Aids

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 of Wisconsin 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 of Wisconsin Single Audit Guidelines*.

Northcentral Technical College District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2019

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*? No

Department of Health Services No

Department of Workforce Development No

Department of Military Affairs No

Technical College System Board No

Higher Education Aids Board No

Department of Public Instruction No

Department of Transportation 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

November 25, 2019

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.