



Northcentral
TECHNICAL COLLEGE

2020

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**



**YEARS ENDED
JUNE 30, 2020 & 2019**

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

NORTHCENTRAL TECHNICAL COLLEGE DISTRICT

Wausau, Wisconsin

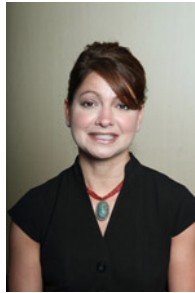
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2020

MEMBERS OF THE BOARD



Paul Proulx
Chairperson



Maria Volpe
Vice Chairperson



Charlie Paulson
Secretary/Treasurer



Troy Brown
Member



Tom Felch
Member



Kristine Gilmore
Member



Lee Lo
Member



Ruth Risley-Gray
Member



Dale Smith
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; and Katie Felch, Associate Vice President of Marketing, Public Relations, and Legislative Advocacy.

Report Prepared By

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

Northcentral Technical College District

Comprehensive Annual Financial Report

Years Ended June 30, 2020 and 2019

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INTRODUCTORY SECTION

YEARS ENDED 2020 & 2019
COMPREHENSIVE
ANNUAL FINANCIAL REPORT

November 24, 2020

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, 2020, 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, 2020. 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, SPOONS restaurant, Studio Max Salon + Spa 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 Workforce Training + Professional Development team works with local businesses to offer customized training, technical assistance and professional development opportunities needed to be successful in today's competitive workforce.

Economic Condition

Local Economy

Much of north central Wisconsin is lower than the state's unemployment rate. For August 2020, only two counties – Menominee and Langlade – are experiencing unemployment rates above the state rate. Menominee County is experiencing the highest rate in the state at 18.9 percent.

State Economy

As the need for skilled workers grows amidst a worldwide pandemic, there will continue to be a demand for the educational services provided by NTC. The College continues to deliver skilled graduates that serve as the backbone of Wisconsin's essential workforce. As the economy reopens, the College expects to see a continued demand for flexible course and program offerings.

NTC is a trusted partner, working with employers to expand the talent pipeline and support incumbent workers in these unprecedented times. The College has shovel ready workforce retraining programs focused on getting people back on their feet. These short-term certificates can quickly transition individuals with valuable workforce skills needed for the economic recovery.

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, 2020. 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

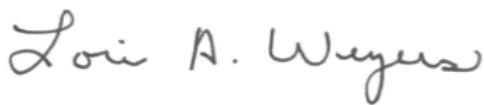
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northcentral Technical College for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 24th consecutive 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 Board Members

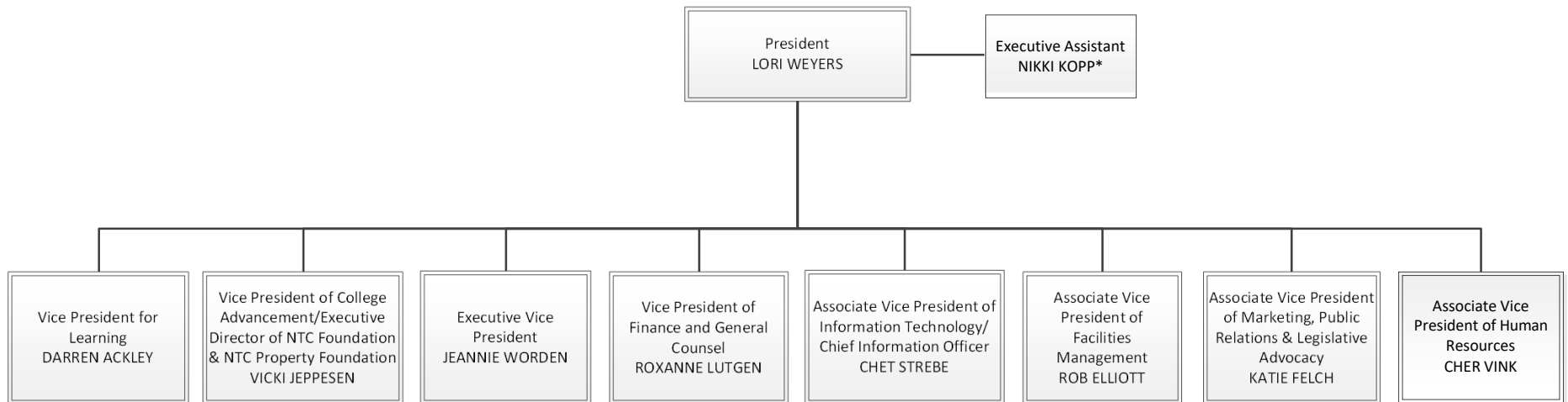
June 30, 2020

<u>Board Member</u>	<u>Member Category</u>	<u>Term Expires</u>	<u>Employer</u>
Paul Proulx <i>Chairperson</i>	Elected Official	6/30/20	County Coroner, Lincoln County
Maria Volpe <i>Vice Chairperson</i>	Employee Member	6/30/22	Senior Examiner, Sedgwick Claims Management
Charlie Paulson <i>Secretary/Treasurer</i>	Additional Member	6/30/20	VP of Commercial Lending, Nicolet National Bank
Troy Brown	Employer Member	6/30/22	President, Kretz Lumber
Tom Felch	Additional Member	6/30/20	President, J&D Tube Benders, Inc.
Dr. Kristine Gilmore	School District	6/30/21	Superintendent, Administrator D.C. Everest Area School District
Lee Lo	Additional Member	6/30/22	Administrator and Owner, Compassion Personal Home Care
Ruth Risley-Gray	Employer Member	6/30/21	SVP & System CNO, Aspirus
Dale Smith	Employee Member	6/30/21	Delivery Coordinator, Menard's Inc.

Note: The current NTC Board is composed of nine (9) members, all of whom 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



*Also provides administrative support to the Executive Vice President

The President's Executive
Leadership Team (ELT)
9/15/2020



Northcentral TECHNICAL COLLEGE

NTC District



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Government Finance Officers Association

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

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

YEARS ENDED 2020 & 2019

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, 2020 and 2019, 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, 2020 and 2019, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the District adopted new accounting guidance Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

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 66 and 67 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 January 13, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Wipfli LLP

January 13, 2021
Rhineland, Wisconsin

Management's Discussion and Analysis

Northcentral Technical College District

Management's Discussion and Analysis

Year Ended June 30, 2020

Northcentral Technical College District's ("NTC", the "College", or the "District") Management's 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, 2020 and 2019.

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:

	2020	Increase or (Decrease) %	Restated 2019	Increase or (Decrease) %	Restated 2018
Operating revenues:					
Student fees	\$ 6,408,752	5.6	\$ 6,071,078	5.1	\$ 5,776,438
Federal grants	6,709,180	(7.9)	7,286,073	(4.5)	7,627,080
State grants	4,301,214	9.3	3,936,707	(15.5)	4,656,697
Contract revenues	5,218,057	18.4	4,406,754	16.8	3,772,680
Auxiliary revenues	2,025,971	(9.5)	2,238,015	(10.2)	2,492,635
Miscellaneous	1,168,745	(7.8)	1,267,747	5.1	1,206,794
Total operating revenues	25,831,919	2.5	25,206,374	(1.3)	25,532,324
Nonoperating revenues:					
Property taxes	21,889,541	4.9	20,865,483	2.7	20,323,698
State appropriations	19,750,509	4.0	18,998,416	(2.0)	19,387,371
CARES Act funding	1,335,000	100.0			
Investment income	380,271	(33.0)	567,569	95.2	290,730
Gain on disposal of capital assets		(100.0)	8,105	100.0	
Total nonoperating revenues	43,355,321	7.2	40,439,573	1.1	40,001,799
Total revenues	69,187,240	5.4	65,645,947	0.2	65,534,123
Operating expenses:					
Instruction	31,091,502	(3.8)	32,330,976	3.8	31,146,729
Instructional resources	1,272,272	(39.6)	2,107,388	(7.0)	2,264,889
Student services	4,398,553	(3.0)	4,532,906	5.1	4,314,762
General institutional	10,624,143	(7.8)	11,518,850	0.8	11,426,340
Physical plant	3,960,895	(12.7)	4,537,471	7.1	4,235,123
Auxiliary enterprise services	2,034,632	(10.4)	2,271,546	(8.6)	2,484,925
Depreciation	8,834,949	(2.3)	9,046,710	5.1	8,604,521
Student aid	2,651,659	21.6	2,179,836	29.9	1,678,198
Total operating expenses	64,868,605	(5.3)	68,525,683	3.6	66,155,487
Nonoperating expenses:					
Loss on disposal of capital assets	118,185	100.0		(100.0)	2,641
Interest expense	852,420	(15.1)	1,003,886	71.2	586,501
Total nonoperating expenses	970,605	(3.3)	1,003,886	70.4	589,142
Total expenses	65,839,210	(5.3)	69,529,569	4.2	66,744,629
Increase (decrease) in net position	3,348,030	<u>(186.2)</u>	<u>(3,883,622)</u>	<u>220.8</u>	<u>(1,210,506)</u>
Net position - Beginning of the year - Restated	46,723,545		50,607,167		51,817,673
Net position - End of year	\$ 50,071,575		\$ 46,723,545		\$ 50,607,167

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

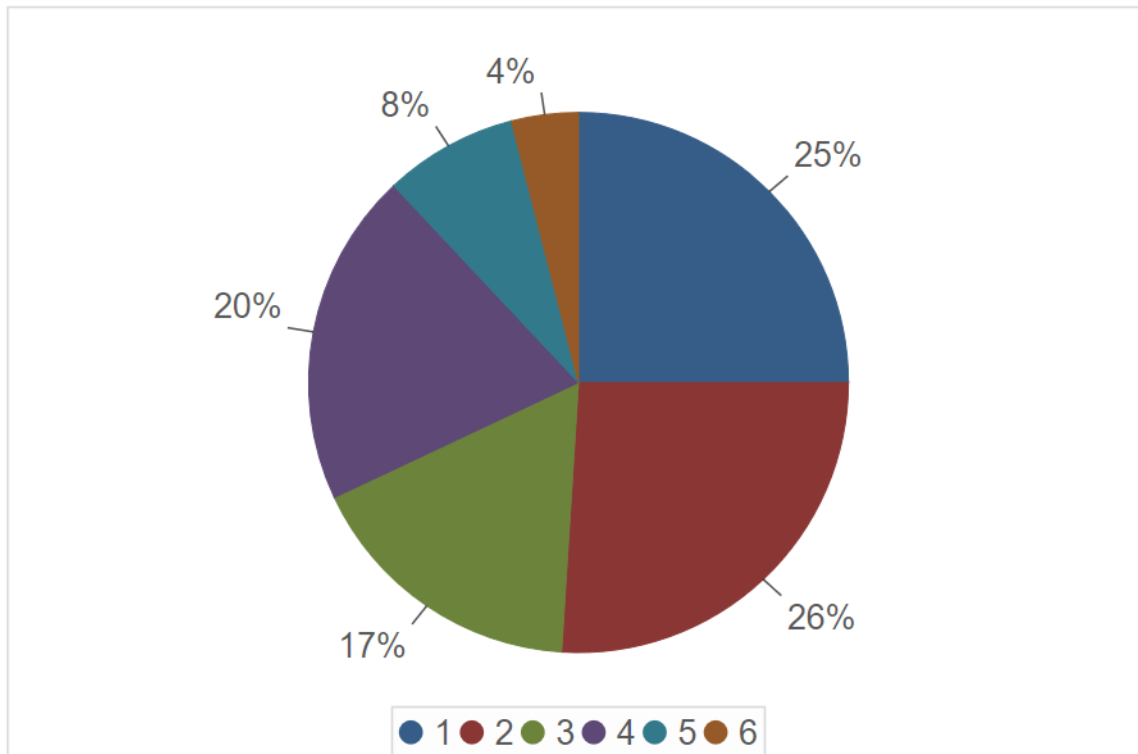
Some of the noteworthy results of operations for the current year are reflected below:

Operating revenues are the charges for services offered by the College. During 2020, the College generated \$25.8 million of operating revenues for the offering of services, up 2.5% from 2019 (\$25.2 million), which was down 1.3% from 2018 (\$25.5 million). Significant items and revenue sources are as follows:

- Student fees increased to \$6.4 million in fiscal year 2020, compared to \$6.1 million in 2019 and \$5.9 million in 2018. Total revenues from program, material, and other student fees were approximately \$10.9 million, up 10.0% before scholarship allowances.
- Nearly \$11.0 million in operating revenues from state and federal grants were earned by the District during the year, compared to \$11.2 million in 2019 and \$12.3 million in 2018. The 9.3% increase in state revenue in 2020 was due to increased Wisconsin Technical College System grant dollars awarded.
- Contract revenues of \$5.2 million for the year represent revenues from instructional and technical assistance contracts with businesses and industries, as well as local school districts. The 18.4% increase in contract revenues represents additional dual credit contracts over the prior year.
- Auxiliary enterprise revenues include revenues generated by the campus store, campus café, dental clinic, and other similar activities of the College. These activities generated revenues of approximately \$2.0 million this year, a decrease of 9.5% from the prior year. Reductions were primarily due to a decline in campus store revenues.
- Miscellaneous revenue decreased 7.8% in 2020 to nearly \$1.2 million, which had increased 5.1% in the prior fiscal year. This revenue category includes rental income, commissions, and donations; NTC saw a decline in commission revenue in 2020.

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	\$ 6,408,752	25 %
2 - Federal grants	6,709,180	26 %
3 - State grants	4,301,214	17 %
4 - Contract revenues	5,218,057	20 %
5 - Auxiliary revenues	2,025,971	8 %
6 - Miscellaneous	1,168,745	4 %

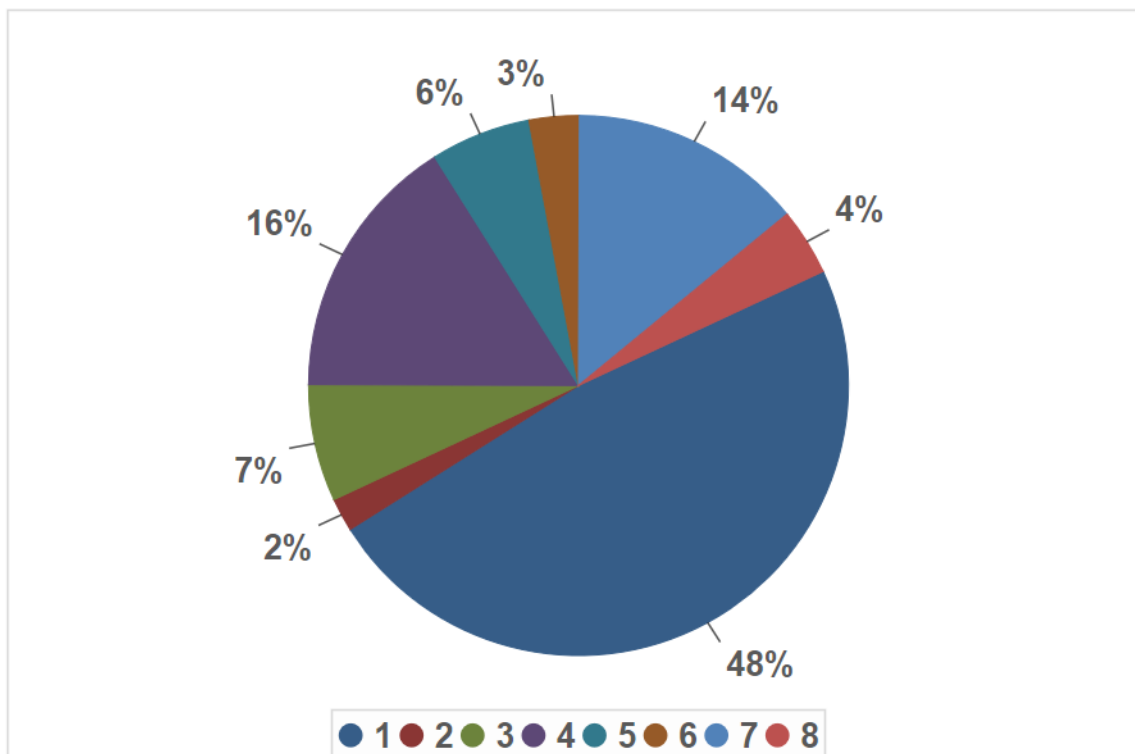
Operating expenses are costs related to offering the programs of the District. During 2020, operating expenses totaled over \$64.8 million, down from \$68.5 million in 2019. The majority of the District's expenses, about 61%, are for personnel related costs. Other major types of expenses include supplies and minor equipment (6%), contracted services (9%), depreciation (14%), and student aid (4%). Expenses such as travel, printing, advertising, repairs and maintenance, rentals, insurance, utilities, and other expenses account for the remaining 6% of total operating expenses. (See Note 13 to the Financial Statements for further details.)

- Salaries increased \$588,714 or 2.0% in 2020 and increased \$535,211 or 1.84% in 2019.
- Employee benefit expenses decreased \$3,332,800 or 26.0% in 2020 and increased \$1,558,699 or 13.8% in 2019.
- NTC experienced decreased costs related to travel, memberships and subscriptions, supplies and minor equipment, repairs and maintenance, contracted services, rentals, utilities, and depreciation.

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

- NTC saw an increase in costs related to postage, printing and advertising, and insurance.
- Student financial aid awards (excluding student loans) increased 21.9% in 2020, due primarily to CARES Act student funding awarded during fiscal year 2020.

The graph below categorized operating expenses by function:



Expenses:	Amount	% of Total
1 - Instruction	\$ 31,091,502	48 %
2 - Instructional resources	1,272,272	2 %
3 - Student services	4,398,553	7 %
4 - General institutional	10,624,143	16 %
5 - Physical plant	3,960,895	6 %
6 - Auxiliary enterprise services	2,034,632	3 %
7 - Depreciation	8,834,949	14 %
8 - Student aid	2,651,659	4 %

Nonoperating revenues and expenses are items not directly related to providing instruction. Net nonoperating revenues for the year ended June 30, 2020, were approximately \$42.0 million. The most significant components of net nonoperating revenues include the following:

- Property taxes levied by the District for the year were approximately \$21.9 million, a 4.9% or \$1,024,058 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 2.7% 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 \$19.8 million in revenues in 2020, up from \$19 million in 2019, which had decreased from \$19.4 million in 2018.
- In 2020 the District received CARES Act Higher Education Emergency Relief Funds for both Student and Institutional Aid.
- Investment income was down 33.0% or \$187,298 during 2020. Investment income saw an increase of 95.2%, amounting to \$276,839 during 2019.
- Interest expense of \$852,420 was recorded by the District this year, down 15.1% from \$1,003,886 in 2019, which increased 71.2% from \$586,501 in 2018.
- Net position at June 30, 2020, was \$50,071,575 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:

		<u>Increase or (Decrease)</u>		<u>Increase or (Decrease)</u>	
	2020	%	Restated 2019	%	Restated 2018
Cash used in operating activities	\$ (29,140,870)	(11.7)	\$ (33,000,407)	7.0	\$ (30,839,506)
Cash provided by noncapital financing activities	42,869,211	8.4	39,563,599	(0.2)	39,658,203
Cash used in capital and related financing activities	(13,911,201)	107.8	(6,696,125)	(15.4)	(7,913,214)
Cash provided by investing activities	380,271	(33.0)	567,571	95.2	290,732
Net increase in cash and cash equivalents	<u>\$ 197,411</u>		<u>\$ 434,638</u>		<u>\$ 1,196,215</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 \$25.3 million was paid in 2020, as compared to \$28.5 million in 2019, and \$27.0 million in 2018.
- Another significant component of operating cash flows is payments to employees. The District paid \$30.0 million in salaries/wages and benefits in 2020 (\$29.6 in 2019 and \$28.5 million in 2018).
- The largest cash inflows from operating activities included \$6.2 million in student fees and \$11.4 million in state and federal grants, as compared to \$6.1 million and \$11.1 million, respectively in 2019, and \$5.6 million and \$12.9 million, respectively in 2018.

Statement of Cash Flows (Continued)

- All property taxes received, almost \$21.8 million this year, are categorized as cash flows from noncapital financing activities (\$20.6 million in 2019 and \$20.5 million in 2018). The other major item in this category is state appropriations, which accounted for \$19.8 million of positive cash flow (\$19.0 million in 2019 and \$19.4 million in 2018).
- 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 \$197,411 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:

	2020	<u>Increase or (Decrease)</u> %	Restated 2019	<u>Increase or (Decrease)</u> %	Restated 2018
Assets:					
Cash and cash equivalents	\$ 39,479,314	0.5	\$ 39,281,903	1.1	\$ 38,847,265
Net capital assets	58,426,479	4.1	56,133,873	(0.2)	56,268,446
Other assets	14,161,173	55.1	9,130,366	(35.1)	14,061,458
Total assets	\$ 112,066,966	7.2	\$ 104,546,142	(4.2)	\$ 109,177,169
Deferred outflows of resources	\$ 12,684,130	(23.8)	\$ 16,639,138	68.1	\$ 9,896,486
Liabilities:					
Other liabilities	\$ 3,420,259	(2.9)	\$ 3,521,105	(22.1)	\$ 4,518,852
Noncurrent liabilities	54,322,982	(12.2)	61,902,748	16.5	53,142,747
Total liabilities	\$ 57,743,241	(11.7)	\$ 65,423,853	13.5	\$ 57,661,599
Deferred inflows of resources	\$ 16,936,280	87.4	\$ 9,037,882	(16.4)	\$ 10,804,889
Net position:					
Net investment in capital assets	\$ 23,839,782	9.6	\$ 21,759,852	(9.8)	\$ 24,122,258
Restricted:					
Pension benefit	5,519,445	0.0		0.0	-
Debt service	8,396,806	(10.9)	9,422,746	13.3	8,317,949
Unrestricted	12,315,542	(20.8)	15,540,947	(14.5)	18,166,960
Total net position	\$ 50,071,575	7.2	\$ 46,723,545	(7.7)	\$ 50,607,167

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, 2020, was approximately \$130.4 million and \$71.9 million, respectively. Capital assets at June 30, 2019, were \$122.1 million, with \$66.0 million accumulated depreciation and capital assets at June 30, 2018, were \$121.7 million, with accumulated depreciation of \$65.4 million.
- The other assets category is primarily made up of various accounts receivable balances, the largest being property taxes receivable of over \$6.1 million (\$5.9 million in 2019 and \$5.6 million in 2018).
- 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, 2020, amounts to \$58,426,479 (net of accumulated depreciation). This includes land and land improvements, construction in progress, buildings and improvements, and moveable equipment.

The District completed the following during fiscal year 2019-2020.

Facilities Related Projects, Wausau Campus:

- \$1,301,000 - Culinary Addition
 - \$1,009,000 Addition; \$215,000 Solarium Equipment & Installation; \$44,000 Furnishings; \$33,000 IT & Smart Classroom Equipment & Installation.
- \$1,131,000 - Salon/Spa Renovation
 - \$1,065,000 Addition; \$20,000 Furnishings; \$23,000 IT & Smart Classroom Equipment & Installation; \$23,000 Instructional Equipment
- \$277,000 - eSports Renovation
 - \$130,000 Renovation; \$34,000 Furnishings; \$113,000 IT & Smart Classroom Equipment & Installation
- \$256,000 - F Building Reconfiguration
 - \$225,000 Reconfiguration; \$5,000 Furnishings; \$26,000 IT & Smart Classroom Equipment & Installation

Statement of Net Position (Continued)

- \$208,000 - Center for Health Sciences (CHS) Renovations
 - \$121,000 Renovations; \$55,000 Furnishings; \$32,000 IT & Smart Classroom Equipment & Installation
- \$180,000 - Auto Shop Roof Replacement
- \$112,000 - Cafeteria/E101-E102 Updates
- \$100,000 - Boiler Pump Plant Replacement

Facilities Related Projects, Regional Campuses:

- \$371,000 - Antigo Data Recovery Site Improvements
 - \$335,000 Improvements; \$10,000 Furnishings; \$26,000 IT Equipment & Installation
- \$305,000 - Electrical Power Distribution Program (EPDP) Building Improvements
 - \$275,000 Improvements; \$30,000 IT & Smart Classroom Equipment & Installation

Additional Major Capital Purchases:

- \$3,704,000 - Information Technology-related Infrastructure, Equipment, and Consulting
- \$1,900,000 - Instructional-related Equipment
- \$807,000 - Equipment for multiple areas, funded by various grants
- \$553,000 - High Definition (HD) Videoconferencing and Smart Classroom Equipment and Installation
- \$212,000 - General Furnishings

Construction in Progress, totaling approximately \$1,656,000, included the following at fiscal year-end.

Facilities Related Projects, Wausau Campus:

- Academic Excellence Renovation
- C Parking Lot Improvements
- C Building Roof Replacement
- Campus Drive Berm
- CHS ARC Renovation
- CHS HVAC Improvements
- Foundation/Grants Renovation
- Sidewalk Replacement Project

Facilities Related Projects, Regional Campuses:

- Commercial Driver's License (CDL) Parking Lot Resurface
- Diesel Parking Lot Improvements
- Farm Greenhouse
- Gas Utility/EPDP Site Development
- Merrill Campus Parking Lot and Drive Approach
- Phillips Campus Roof Replacement
- Spencer Campus Humidifier and Furnace Replacement

Additional Major Capital Purchases:

- NetLabs for Computer Information Systems Program
- Safety Trainers for Automation Systems Technology Program
- Scanning Project for Human Resources Department
- VMWare NSX Project for Information Technology Department

Additional information on the District's capital assets can be found in financial statement note 4.

Statement of Net Position (Continued)

At the end of the 2020 fiscal year, the District had total general obligation debt outstanding of \$47,505,000. 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 longterm debt can be found in financial statement note 5.

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 2020. The Aa1 rating reflects the District's sound financial operations supported by healthy reserves and trend of annual General Fund surpluses, ability to generate additional revenues under the state imposed operating mill rate cap, large tax base, and average debt burden with a very rapid rate of principle amortization.

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

Economic Factors

Wisconsin's seasonally adjusted unemployment rate for August 2020 was 6.2 percent. Two of the ten counties in the NTC District are experiencing unemployment rates above the state rate. In addition, Menominee County is experiencing the highest rate in the state at 18.9 percent.

NTC's challenge moving forward is to allocate existing resources to mitigate the skilled worker shortage during a worldwide pandemic, with an emphasis on health and safety in an increasingly virtual learning environment.

Financial Statements

Northcentral Technical College District

Statements of Net Position

June 30, 2020 and 2019

	2020	Restated 2019
<i>Assets and Deferred Outflows of Resources</i>		
Current assets:		
Cash and cash equivalents	\$ 39,479,314	\$ 39,281,903
Property taxes receivable	6,052,232	5,946,393
Accounts and other receivables - Net	2,294,088	2,751,988
Inventories	187,793	293,145
Prepaid expenses	107,615	138,840
Total current assets	48,121,042	48,412,269
Noncurrent assets:		
Restricted - Net pension asset	5,519,445	
Capital assets not being depreciated	2,784,509	2,213,759
Capital assets being depreciated	127,583,754	119,892,156
Less - Accumulated depreciation	(71,941,784)	(65,972,042)
Total noncurrent assets	63,945,924	56,133,873
Total assets	112,066,966	104,546,142
Deferred outflows of resources:		
Related to OPEB - District OPEB plan	847,853	782,974
Related to pensions	11,836,277	15,856,164
Total deferred outflows of resources	12,684,130	16,639,138
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 124,751,096	\$ 121,185,280
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>		
Current liabilities:		
Accounts payable	\$ 1,344,107	\$ 1,541,888
Accrued liabilities:		
Payroll, payroll taxes, and insurance	1,248,516	1,088,873
Interest	367,199	353,630
Unearned revenue	460,437	536,714
Total current liabilities	3,420,259	3,521,105
Noncurrent liabilities:		
Due within one year	11,767,138	11,404,836
Due in more than one year	37,510,351	39,084,910
Total OPEB liability - District OPEB plan	5,045,493	5,196,105
Net pension liability		6,216,897
Total noncurrent liabilities	54,322,982	61,902,748
Total liabilities	57,743,241	65,423,853
Deferred inflows of resources:		
Related to OPEB - District OPEB plan	381,903	471,618
Related to pensions	16,554,377	8,566,264
Total deferred inflows of resources	16,936,280	9,037,882
Net position:		
Net investment in capital assets	23,839,782	21,759,852
Restricted:		
Pension benefit	5,519,445	
Debt service	8,396,806	9,422,746
Unrestricted	12,315,542	15,540,947
Total net position	50,071,575	46,723,545
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 124,751,096	\$ 121,185,280

See accompanying notes to financial statements.

Northcentral Technical College District

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2020 and 2019

	2020	Restated 2019
Operating revenues:		
Student program fees, net of scholarship allowances of \$3,935,753 and \$4,089,326, respectively	\$ 5,205,781	\$ 4,856,036
Student material fees, net of scholarship allowances of \$179,650 and \$190,521, respectively	341,682	356,349
Other student fees, net of scholarship allowances of \$329,966 and \$343,845, respectively	861,289	858,693
Federal grants	6,709,180	7,286,073
State grants	4,301,214	3,936,707
Business and industry contract revenues	4,423,369	3,685,269
School district contract revenues	794,688	721,485
Auxiliary enterprise revenues	2,025,971	2,238,015
Miscellaneous	1,168,745	1,267,747
Total operating revenues	25,831,919	25,206,374
Operating expenses:		
Instruction	31,091,502	32,330,976
Instructional resources	1,272,272	2,107,388
Student services	4,398,553	4,532,906
General institutional	10,624,143	11,518,850
Physical plant	3,960,895	4,537,471
Auxiliary enterprise services	2,034,632	2,271,546
Depreciation	8,834,949	9,046,710
Student aid	2,651,659	2,179,836
Total operating expenses	64,868,605	68,525,683
Operating loss	(39,036,686)	(43,319,309)
Nonoperating revenues (expenses):		
Property taxes	21,889,541	20,865,483
State operating appropriations	19,750,509	18,998,416
CARES Act funding	1,335,000	
Gain (loss) on disposal of capital assets	(118,185)	8,105
Investment income	380,271	567,569
Interest expense	(852,420)	(1,003,886)
Net nonoperating revenues	42,384,716	39,435,687
Change in net position	3,348,030	(3,883,622)
Net position at beginning of year - Restated	46,723,545	50,607,167
Net position at end of year	\$ 50,071,575	\$ 46,723,545

See accompanying notes to financial statements.

Northcentral Technical College District

Statements of Cash Flows

Years Ended June 30, 2020 and 2019

	2020	Restated 2019
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Tuition and fees received	\$ 6,243,975	\$ 6,106,102
Federal and state grants received	11,434,625	11,137,939
Business, industry, and school district contract revenues received	5,349,294	4,455,462
Payments to employees	(30,017,904)	(29,631,781)
Payments to suppliers	(25,336,506)	(28,528,611)
Auxiliary enterprise revenues received	2,016,901	2,192,735
Other receipts	1,168,745	1,267,747
Net cash used in operating activities	(29,140,870)	(33,000,407)
Cash flows for noncapital financing activities:		
Local property taxes received	21,783,702	20,565,183
CARES Act funding	1,335,000	
State appropriations received	19,750,509	18,998,416
Net cash provided by noncapital financing activities	42,869,211	39,563,599
Cash flows from capital and related financing activities:		
Purchases of capital assets	(11,858,219)	(8,932,881)
Proceeds from sale of capital assets		49,000
Proceeds from issuance of capital debt	10,419,325	12,001,439
Debt issuance costs paid	(33,209)	(42,561)
Principal paid on capital debt	(11,395,000)	(8,820,000)
Interest paid on capital debt	(1,044,098)	(951,122)
Net cash used in capital and related financing activities	(13,911,201)	(6,696,125)
Cash flows from investing activities - Investment income received	380,271	567,571
Net increase in cash and cash equivalents	197,411	434,638
Cash and cash equivalents at beginning of year	39,281,903	38,847,265
Cash and cash equivalents at end of year	\$ 39,479,314	\$ 39,281,903

Northcentral Technical College District

Statements of Cash Flows (Continued)

Years Ended June 30, 2020 and 2019

	2020	Restated 2019
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (39,036,686)	\$ (43,319,309)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	8,834,949	9,046,710
Changes in operating assets and liabilities:		
Accounts and other receivables	457,900	(59,107)
Inventories	105,352	82,955
Prepaid items	31,226	(67,798)
Accounts payable	414,696	(1,051,286)
Accrued expenses	161,519	(12,778)
Unearned revenue	(76,278)	12,718
Net pension changes (including deferred outflows and inflows)	271,658	2,427,505
Postemployment benefit changes (including deferred outflows and inflows)	(305,206)	(60,017)
Net cash used in operating activities	\$ (29,140,870)	\$ (33,000,407)
Noncash investing, capital, and financing activities:		
Purchase of capital assets in accounts payable	\$ 470,067	\$ 1,082,545

See accompanying notes to the financial statements.

Northcentral Technical College District

Statement of Fiduciary Net Position

June 30, 2020

	Custodial Funds	
	2020	Restated 2019
Assets		
Cash	\$ 1,194,264	\$ 377,473
Receivables	114,234	3,401
TOTAL ASSETS	\$ 1,308,498	380,874
<i>Liabilities and Net Position</i>		
Liabilities:		
Accounts payable	\$ 343,268	7,562
Other liabilities	84,556	41,833
Total liabilities	427,824	49,395
Net Position:		
Restricted for Individuals and organizations	880,674	331,479
TOTAL LIABILITIES AND NET POSITION	\$ 1,308,498	\$ 380,874

See accompanying notes to financial statements.

Northcentral Technical College District

Statement of Changes in Fiduciary Net Position

June 30, 2020

	Custodial Funds	
	2020	Restated 2019
Additions:		
Student fees collected	\$ 535,227	\$ 541,109
Purchasing consortium fees	4,666,174	
Miscellaneous fees	144,541	177,886
Total additions	5,345,942	718,995
Deductions:		
Student activities	492,685	677,622
Purchasing consortium expenses	4,262,525	
Public service disbursements	41,537	55,291
Total deductions	4,796,747	732,913
Change in net position	549,195	(13,918)
Net position at beginning of year - Restated	331,479	345,397
Net position at end of year	\$ 880,674	\$ 331,479

See accompanying notes to 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") and the NTC Property Foundation, Inc. (the "Property Foundation") are separate legal entities, with separate governing bodies and budgets. The District is not financially accountable for or fiscally dependent on the Foundation or the Property Foundation; therefore their financial statements are not included in this report.

New Accounting Pronouncement

Management adopted new accounting guidance GASB Statement No. 84, *Fiduciary Activities*, that establishes standards of accounting and financial reporting for fiduciary activities. The implementation of this guidance had an effect on the beginning net position for the fiduciary funds and business-type funds as well as the beginning fund balance of the special revenue (non-aidable) fund.

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.

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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, 2020 and 2019.

Long-Term Obligations

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

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

Sick Leave - 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.

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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, 2020 and 2019, the District levied at the following mill rate:

	2020	2019
Operating purposes	\$ 0.63192	\$ 0.63237
Debt service requirements	0.63817	0.63005
Totals	\$ 1.27009	\$ 1.26242

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Classification of Revenues and Expenses (Continued)

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/expense) 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.

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 January 13, 2021, which is the date the financial statements were available to be issued.

Northcentral Technical College District

Notes to Financial Statements

Note 2: Cash and Investments

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

	2020	2019
Cash on deposit with financial institutions	\$ 20,511,290	\$ 13,247,866
Wisconsin Local Government Investment Pool	20,153,154	26,402,373
Cash on hand	9,134	9,137
Cash and cash equivalents with financial institutions carrying amount	40,673,578	\$ 39,659,376
Less - Cash and cash equivalents held by fiduciary funds	(1,194,264)	(377,473)
Total cash and cash equivalents	\$ 39,479,314	\$ 39,281,903

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, 2020, \$19,753,856 of the District's bank balance of \$20,658,818 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.

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, 2020 and 2019, 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.

Northcentral Technical College District

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

Investments (Continued)

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:

	2020	2019
Federal and state grants	\$ 940,480	\$ 1,364,711
Student tuition and fees	1,991,167	1,887,193
Business and industry contracts	80,687	194,229
Bookstore sales	143,994	134,925
Health claim stop-loss	9,957	77,419
Other	191,113	141,845
Allowance for uncollectible amounts	(1,063,310)	(1,048,334)
Totals	\$ 2,294,088	\$ 2,751,988

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:

	2020			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,128,946	\$ 0	\$ 0	\$ 1,128,946
Construction in progress	1,084,813	5,515,244	4,944,494	1,655,563
Total capital assets not being depreciated	2,213,759	5,515,244	4,944,494	2,784,509
Capital assets being depreciated:				
Site improvements	11,562,136	311,315	571,847	11,301,604
Buildings and building improvements	66,202,267	3,731,878		69,934,145
Furniture and equipment	41,054,609	6,410,709	1,117,313	46,348,005
Computer software	1,073,144		1,073,144	
Total capital assets being depreciated	119,892,156	10,453,902	2,762,304	127,583,754
Less accumulated depreciation for:				
Site improvements	5,164,092	761,800	571,847	5,354,045
Buildings and building improvements	29,456,475	3,584,392		33,040,867
Furniture and equipment	30,385,645	4,381,443	1,220,216	33,546,872
Computer software	965,830	107,314	1,073,144	
Total accumulated depreciation	65,972,042	8,834,949	2,865,207	71,941,784
Net capital assets	56,133,873	\$ 7,134,197	\$ 4,841,591	58,426,479
Less outstanding debt related to capital assets, including premium	(50,464,914)			(49,250,784)
Plus capital projects funds borrowed but not spent	16,090,893			14,664,087
Net investment in capital assets	\$ 21,759,852			\$ 23,839,782

Northcentral Technical College District

Notes to Financial Statements

Note 4: Capital Assets (Continued)

	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 5: Long-Term Obligations

Long-term liability activity for the years ended June 30, 2020 and 2019, was as follows:

	Balance 7/1/2019	Additions	Reductions	Balance 6/30/2020	Amounts Due Within One Year
General obligation notes	\$ 48,900,000	\$ 10,000,000	\$ 11,395,000	\$ 47,505,000	\$ 11,755,000
Premium on general obligation notes	1,564,914	419,325	238,455	1,745,784	
Compensated absences	24,832	26,705	24,832	26,705	12,138
Totals	\$ 50,489,746	\$ 10,446,030	\$ 11,658,287	\$ 49,277,489	\$ 11,767,138

	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

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, 2020 and 2019, is comprised of the following individual issues:

	2020	2019
June 11, 2013 general obligation promissory note (1)	\$ 4,405,000	\$ 5,765,000
June 2, 2014 general obligation promissory note (2)		2,075,000
June 15, 2015 general obligation promissory note (3)	1,865,000	3,730,000
May 2, 2016 general obligation promissory note (4)	6,025,000	6,915,000
June 15, 2016 general obligation promissory note (5)	860,000	990,000
June 30, 2016 general obligation promissory note (6)	780,000	920,000
June 1, 2017 general obligation promissory note (7)	6,425,000	7,240,000
June 1, 2018 general obligation promissory note (8)	8,845,000	9,765,000
May 28, 2019 general obligation promissory note (9)	8,300,000	11,500,000
June 25, 2020 general obligation promissory note (10)	10,000,000	
Total general obligation debt	\$ 47,505,000	\$ 48,900,000

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 FTN Financial Capital Markets, 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. for 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)

(10) Promissory note issued by KeyBanc Capital Markets, for the construction of new building space 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 2.0% to 3.0%. Principal due annually on March 1, beginning with March 1, 2021, with final maturity March 1, 2030.

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, 2020, was \$916,414,490 and the District's outstanding general obligation debt of \$47,505,000, net of resources available of \$8,396,806 to pay principal, was \$39,108,194. 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.

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 \$366,565,796 and \$349,509,023 at June 30, 2020 and 2019, respectively. The District had no outstanding bonded indebtedness as of June 30, 2020 and 2019.

Aggregate cash flow requirements for the retirement of long-term principal and interest on general obligation debt as of June 30, 2020, follows:

Year Ended June 30,	Principal	Interest	Totals
2021	\$ 11,755,000	\$ 1,153,330	\$ 12,908,330
2022	5,885,000	967,412	6,852,412
2023	6,100,000	823,656	6,923,656
2024	4,685,000	673,650	5,358,650
2025	4,860,000	526,200	5,386,200
2026-2027	14,220,000	786,100	15,006,100
Total general obligation debt	\$ 47,505,000	\$ 4,930,348	\$ 52,435,348

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:

2021	\$	184,119
2022		184,564
2023		184,564
2024		163,556
2025		163,556
Total minimum lease payments		\$ 880,359

Rental expense for all operating leases for the years ended June 30, 2020 and 2019, were \$157,239 and \$199,219, 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 issued a standalone WRS Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements..>

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 and 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
2010	(1.3)%	22.0 %
2011	(1.2)%	11.0 %
2013	(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 %
2019	0.0 %	(10.0)%

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 \$1,750,271 in contributions from the employer.

The District only has employees in the general category which had the following contribution rates as of June 30, 2020 and 2019:

Employee Category	2020		2019	
	Employee	Employer	Employee	Employer
General (including teachers, executives, and elected officials)	6.75 %	6.75 %	6.55 %	6.55 %

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020 and 2019, the District reported a liability (asset) of \$(5,519,445) and \$6,216,897, 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, 2019 and 2018, the District's proportion was 0.17117445% and 0.17474551%, which was a decrease of 0.00357106% and a decrease of 0.00197593% from its proportion measured in the respective prior year.

For the years ended June 30, 2020 and 2019, the District recognized pension expense of \$2,071,047 and \$4,189,700.

At June 30, 2020 and 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,477,169	\$ 5,243,122	\$ 4,842,021	\$ 8,558,953
Net differences between projected and actual earnings on pension plan investments		11,283,709	9,079,353	
Changes in assumptions	430,111		1,047,941	
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,527	27,546	19,497	7,311
Employer contributions subsequent to the measurement date	916,470		867,352	
Totals	\$ 11,836,277	\$ 16,554,377	\$ 15,856,164	\$ 8,566,264

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) - \$916,470 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, 2021. 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
2021	\$ (1,669,245)
2022	(1,247,962)
2023	189,999
2024	(2,907,362)

Actuarial Assumptions - The total pension liability in the actuarial valuations used for the years ended June 30, 2020 and 2019, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2020	2019
Actuarial Valuation Date	December 31, 2018	December 31, 2017
Measurement Date of Net Pension Liability (Asset)	December 31, 2019	December 31, 2018
Actuarial Cost Method	Entry Age	Entry Age
Asset Valuation Method	Fair Value	Fair Value
Long-Term Expected Rate of Return	7.0 %	7.0 %
Discount Rate	7.0 %	7.0 %
Salary Increases:		
Inflation	3.0 %	3.0 %
Seniority/Merit	0.1 % - 5.6 %	0.1 % - 5.6 %
Mortality	Wisconsin 2018 Mortality Table	Wisconsin 2018 Mortality Table
Postretirement Adjustments*	1.9 %	1.9 %

** 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 2018 valuation was based on an experience study conducted in 2019 that covered a three-year period from January 1, 2015 to December 31, 2017, and the 2017 valuation was based upon an experience study conducted in 2016 using experience from 2012-2014. The total pension liability (asset) for December 31, 2019 and 2018, is based upon a rollforward of the liability calculated from the December 31, 2018 and 2017, 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 geometric 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, 2019		
	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund</u>			
Global equities	49.0 %	8.0 %	5.1 %
Fixed income	24.5 %	4.9 %	2.1 %
Inflation sensitive assets	15.5 %	4.0 %	1.2 %
Real estate	9.0 %	6.3 %	3.5 %
Private equity/debt	8.0 %	10.6 %	7.6 %
Multi-asset	4.0 %	6.9 %	4.0 %
Total core fund	110.0 %	7.5 %	4.6 %
<u>Variable Fund</u>			
U.S. equities	70.0 %	7.5 %	4.6 %
International equities	30.0 %	8.2 %	5.3 %
Total variable fund	100.0 %	7.8 %	4.9 %

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

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

Northcentral Technical College District

Notes to Financial Statements

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

Actuarial Assumptions (Continued)

Asset Allocation Targets and Expected Returns	As of December 31, 2018		
	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund</u>			
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 %
<u>Variable Fund</u>			
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.

Single Discount Rate: A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population over 10,000 tax-exempt securities.). 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 municipal bond 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:

	2020		2019	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to the rate	6.0%	\$ 14,213,559	6.0%	\$ 24,706,601
Current discount rate	7.0%	(5,519,445)	7.0%	6,216,897
1% increase to the rate	8.0%	(20,272,136)	8.0%	(7,531,631)

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 <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Payables to the Pension Plan - At June 30, 2020 and 2019, the District reported a payable of \$346,107 and \$302,342 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.

Northcentral Technical College District

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Benefits Provided (Continued)

Support staff retiring prior to July 1, 2012, with at least 20 years of service, reaching age 59, and eligible for a benefit under WRS are covered until eligible for Medicare benefits. Also included are employees that provided notice by December 31, 2011, of their retirement by June 30, 2015. The District will make contributions toward a retiree's single medical premium determined by a break-even calculation made at the time of retirement, which will remain frozen at the calculated amount for the duration of benefit eligibility. Retirees electing family coverage will be responsible for the difference between the single and family premium amounts.

Paraprofessional and technical employees retiring prior to July 1, 2012, with at least 15 years of service, reaching age 57, and eligible for a benefit under WRS are covered until eligible for Medicare benefits. Also included are employees that provided notice by December 31, 2011, of their retirement by June 30, 2015. The maximum monthly premium paid by the District during the covered period will be 75% to 100% of the single premium determined based upon years of service with an annual maximum of \$7,848. Retirees electing family coverage will be responsible for the difference between the single and family premium amounts.

Employees hired prior to July 1, 2012, and retiring on or after July 1, 2012, who are at least 62 years old with at least 20 years of service are covered until eligible for Medicare benefits. The District will make medical insurance premium contributions (single or family for faculty and middle leader and single for other retirees) as are made for active employees. Retirees subject to the single premium contribution electing family coverage will be responsible for the difference between the single and family premium amounts.

For eligible retiring full-time employees hired prior to July 1, 2012, with at least 20 years of NTC or WRS service and retiring before age 65, the District will continue 100% premium contributions for the retiree's life insurance benefit payout value at a rate of 37.5%, reduced annually at retiree's birthday, until such time that the life insurance benefit payout value will be frozen at 12.5%.

For eligible retiring full-time employees hired prior to July 1, 2012, with at least 20 years of NTC or WRS service and retiring at age 65 or later, the District will continue 100% premium contributions for the retiree's life insurance benefit payout value at a rate of 37.5% for the retiree's 65th year, reduced to 25% for the retiree's 66th year, and a frozen rate of 12.5% for the retiree's 67th year and thereafter.

For eligible retiring part-time employees hired prior to July 1, 2012, with at least 20 years of NTC or WRS service and retiring before age 65, the District will continue 100% premium contributions for the retiree's life insurance benefit payout value at a rate of 75%, reduced annually at retiree's birthday, until such time that the life insurance benefit payout value will be frozen at 25%.

Northcentral Technical College District

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Benefits Provided (Continued)

For eligible retiring part-time employees hired prior to July 1, 2012, with at least 20 years of NTC or WRS service and retiring at age 65 or later, the District will continue 100% premium contributions for the retiree's life insurance benefit payout value at a rate of 75% for the retiree's 65th year, reduced to 50% for the retiree's 66th year, and a frozen rate of 25% for the retiree's 67th year and thereafter.

For all eligible retiring employees continuing to participate in the District's group medical plan, the District will annually contribute to a health savings account until Medicare eligibility, \$1,000 if single coverage and \$2,000 if family coverage.

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, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	24
Inactive employees entitled to, but not receiving, benefit payments	195
Active employees	406
<hr/>	
Total	625

Total OPEB Liability - The District's total OPEB liability at June 30, 2020 was \$5,045,493, was measured as of June 30, 2019, and was determined by an update to the actuarial valuation. 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 actuarial valuation at that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2019, 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 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

Northcentral Technical College District

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Actuarial Assumptions (Continued)

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, 2019, actuarial valuation mortality rates are based upon the Wisconsin Retirement System (WRS) 2018 Mortality Table. The mortality table and other significant assumptions are based on the WRS's actuarial experience study from 2015-2017.

Changes in Total OPEB Liability - OPEB liability activity for the years ended June 30, 2020 and 2019, were as follows:

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)
Balance at July 1, 2019		5,196,105
Service cost		165,679
Interest		190,022
Changes of benefit terms		(454,191)
Differences between expected and actual experience		151,099
Changes of assumptions or other input		220,178
Benefit payments		(423,399)
Balance at June 30, 2020	\$	5,045,493

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:

	2020		2019	
	Discount Rate	Total OPEB Liability	Discount Rate	Total OPEB Liability
1% decrease to the rate	2.50 %	\$5,481,139	2.75 %	\$5,888,523
Current discount rate	3.50 %	\$5,045,493	3.75 %	\$5,196,105
1% increase to the rate	4.50 %	\$4,666,852	4.75 %	\$4,618,074

Northcentral Technical College District

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

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 7.5% decreasing 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 (6.5% in year 1, then 5.5% decreasing to 4.0%) or 1-percentage-point higher (8.5% in year 1, then 7.5% decreasing to 6.0%) than the current rate:

	2020		2019	
	Healthcare Cost Trend Rate	Total OPEB Liability	Healthcare Cost Trend Rate	Total OPEB Liability
1% decrease to the rate	6.5% decreasing by 0.50% to 5.50%, then by 0.10% per year down to 4.0%	\$4,837,822	0.7% in year 1, then 6.0% decreasing to 4.0%	\$4,909,682
Current discount rate	7.5% decreasing by 0.50% to 6.50%, then by 0.10% per year down to 5.0%	\$5,045,493	1.7% in year 1, then 7.0% decreasing to 5.0%	\$5,196,105
1% increase to the rate	8.5% decreasing by 0.50% to 7.50%, then by 0.10% per year down to 6.0%	\$5,286,454	2.7% in year 1, then 8.0% decreasing to 6.0%	\$5,535,243

OPEB Expense and Deferred Outflow of Resources - For the years ended June 30, 2020 and 2019, the District recognized OPEB expense of \$305,206 and \$517,949, respectively. At June 30, 2020 and 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 178,441	\$ 0	\$ 81,397	\$ 0
Changes in assumptions or other inputs	373,766	381,903	278,178	471,618
Employer contributions subsequent to the measurement date	295,646		423,399	
Totals	\$ 847,853	\$ 381,903	\$ 782,974	\$ 471,618

Northcentral Technical College District

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

\$295,646 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, 2021. 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
2021	\$ 88,930
2022	88,930
2023	88,925
2024	(73,435)
2025	(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 \$500,000,000 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.

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 2020 and 2019. For the years ended June 30, 2020 and 2019, the District paid premiums of \$313,168 and \$379,000, 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.

Northcentral Technical College District

Notes to Financial Statements

Note 9: Risk Management (Continued)

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 the commercial insurance marketplace for its participating members:

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; \$100,000 coverage for impersonation fraud with a \$25,000 deductible; 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 2020.

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, 2020, the District paid a total premium of \$5,845,276.

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, 2020. The construction projects in progress are the CDL Parking Lot Resurface, Parking Lot Improvements-Wausau Lot C and Diesel Lot, Wausau C Building Roof Replacement, VMWare NSX Project, EPDP Site Development, as well as some smaller remodeling projects. Also, orders were placed for instructional equipment needed for the start of the fall semester. These orders were initially placed prior to June 30, 2020, due to delivery and installation lead time requirements.

Future commitments include leaning equipment, the Wausau Storage Building Construction, as well as various maintenance and remodeling projects at the Wausau and regional campuses. At year-end, the District's commitments with contractors and vendors, including change orders through the date of this report, are as follows:

Project	Spent Through 6/30/2020	Remaining Commitment
CDL Parking Lot Resurface	\$ 290,886	\$ 10,000
Parking Lot Improvements, Wausau C Lot	40,600	517,044
Parking Lot Improvements, Diesel	25,590	341,698
Wausau C Building Roof Replacement	280,635	67,355
Gas Utility - Road/Service EPDP Site Development	292,175	2,275
Wausau Storage Buidling Construction		249,260
Freightliner		100,820
Conventional Chassis M2 106		88,622
Conventional Chassis M2 106		100,622
Diagnostic X-Ray		113,000
Dental Operatory Chairst		95,360

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 January 2021. Total expenses for the year ended June 30, 2020, were \$63,185. As of June 30, 2020, the District was committed to make future payments of \$48,650.

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:

	2020		2019	
	Total WISPALS	NTC's Share	Total WISPALS	NTC's Share
Total assets	\$ 301,222	\$ 27,384	\$ 70,646	\$ 6,422
Total liabilities	19,750	1,795	31,090	2,826
Ending fund balance	281,472	25,588	39,556	3,596
Total revenues	856,886	77,899	600,301	54,573
Total expenses	614,970	55,906	595,709	54,155

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:

	2020	2019
Salaries and wages	\$ 30,060,038	\$ 29,471,324
Employee benefits	9,484,933	12,817,733
Travel, memberships, and subscriptions	809,953	943,643
Supplies and minor equipment	3,958,431	4,279,968
Postage, printing, and advertising	816,998	719,167
Repairs and maintenance	632,270	769,279
Contracted services	5,764,848	6,484,552
Rentals	275,365	301,878
Insurance	463,010	446,419
Utilities	915,912	934,869
Depreciation	8,834,949	9,046,710
Other	209,620	141,757
Student aid	2,642,278	2,168,384
Total operating expenses	\$ 64,868,605	\$ 68,525,683

Northcentral Technical College District

Notes to Financial Statements

Note 14: Restatement

The District implemented GASB Statement No. 84. As a result beginning net position of the financial statements and custodial funds were restated.

Required Supplementary Information

Northcentral Technical College District

Schedule of Changes in Total Other Postemployment Benefit (OPEB) Liability and Related Ratios -

District OPEB Plan

Last Ten Fiscal Years (When Available)*

	2020	2019	2018	2017	2016
Measurement date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Total OPEB Liability					
Service cost	\$ 165,679	\$ 175,183	\$ 151,134	\$ 124,538	\$ 124,538
Interest	190,022	192,089	189,566	234,496	244,389
Changes of benefit terms	(454,191)				
Differences between expected and actual experience	151,099		113,957		
Changes of assumptions or other input	220,178	(161,310)	(466,694)	486,813	
Benefit payments	(423,399)	(821,054)	(840,132)	(746,871)	(518,596)
Net change in total OPEB liability	(150,612)	(615,092)	(852,169)	98,976	(149,669)
Total OPEB liability at beginning	5,196,105	5,811,197	6,663,366	6,564,390	6,714,059
Total OPEB liability at end	\$ 5,045,493	\$ 5,196,105	\$ 5,811,197	\$ 6,663,366	\$ 6,564,390
District's covered-employee payroll	\$24,289,304	\$24,481,301	\$24,481,301	\$16,353,932	\$16,353,932
Total OPEB liability as a percentage of covered-employee payroll	20.77 %	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: There were no changes of assumptions.

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)*

	2020	2019	2018	2017	2016	2015
Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset)						
Measurement date	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
District's proportion of the net pension liability (asset)	0.17117445 %	0.17474551 %	0.17767368 %	0.17964961 %	0.18088260 %	0.18071590 %
District's proportionate share of the net pension liability (asset)	\$ (5,519,445)	\$ 6,216,897	\$ (5,275,342)	\$ 1,480,742	\$ 2,939,307	(4,438,877)
District's covered payroll during the measurement period	26,721,696	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	(20.66)%	23.61 %	(20.24)%	5.76 %	11.50 %	(17.50)%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.96 %	96.45 %	102.93 %	99.12 %	98.20 %	102.74 %
Schedule of Employer Contributions						
Contractually required contribution for the fiscal period	\$ 1,799,388	\$ 1,762,195	\$ 1,751,085	\$ 1,743,835	\$ 1,720,607	\$ 1,765,923
Contributions in relation to the contractually required contribution	(1,799,388)	(1,762,195)	(1,751,085)	(1,743,835)	(1,720,607)	(1,765,923)
Contribution deficiency	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District's covered payroll for the fiscal period	\$ 27,057,005	\$ 26,597,880	\$ 25,942,119	\$ 26,024,846	\$ 25,678,283	\$ 25,588,765
Contributions as a percentage of covered payroll	6.65 %	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, 2020

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$ 9,159,743	\$ 9,560,884	\$ 9,560,884	\$ 0	\$ 9,560,884	\$ 0
State revenues	19,029,908	19,819,942	19,819,942		19,819,942	
Federal revenues		8,075	8,075		8,075	
Statutory program fees	9,432,200	8,899,300	8,899,300		8,899,300	
Material fees	540,895	492,008	492,008		492,008	
Other student fees	482,738	514,611	514,611		514,611	
Institutional revenues	438,000	505,885	505,885		505,885	
Total revenues	39,083,484	39,800,705	39,800,705		39,800,705	
Expenditures:						
Instruction	23,213,940	22,000,227	22,000,227		22,000,227	
Instructional resources	1,464,398	937,026	937,026		937,026	
Student services	2,351,506	2,416,874	2,416,874		2,416,874	
General institutional	8,403,736	8,415,394	8,415,394		8,415,394	
Physical plant	3,899,904	3,590,382	3,590,382		3,590,382	
Total expenditures	39,333,484	37,359,903	37,359,903		37,359,903	
Excess (deficiency) of revenues over expenditures	(250,000)	2,440,802	2,440,802		2,440,802	
Other financing sources (uses):						
Transfers in		47,149	47,149		47,149	
Transfers out		(800,000)	(800,000)		(800,000)	
Total other financing uses		(752,851)	(752,851)		(752,851)	
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$ (250,000)	\$ 1,687,951	1,687,951		1,687,951	\$ 0
Fund balance at beginning of year			14,539,297		14,539,297	
Fund balance at end of year			\$ 16,227,248	\$ 0	\$ 16,227,248	
Fund balance:						
Reserved for prepaid items			\$ 159,572			
Unreserved fund balance:						
Designated for postemployment benefits			5,045,493			
Designated for state aid fluctuations			924,192			
Designated for subsequent years			2,500,000			
Designated for operations			7,597,991			
Total fund balance			\$ 16,227,248			

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Northcentral Technical College District

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

Year Ended June 30, 2020

	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	2,893,998	2,651,390	2,651,390		2,651,390	
Federal revenues	1,337,288	1,715,184	1,715,184		1,715,184	
Statutory program fees	275,752	215,618	215,618		215,618	
Material fees	47,021	27,625	27,625		27,625	
Other student fees	513,333	431,062	431,062		431,062	
Institutional revenues	3,874,500	5,559,190	5,559,190		5,559,190	
Total revenues	10,041,892	11,700,069	11,700,069		11,700,069	
Expenditures:						
Instruction	7,854,732	9,359,762	9,359,762		9,359,762	
Instructional resources	98,652	72,194	72,194		72,194	
Student services	1,411,626	1,524,845	1,524,845		1,524,845	
General institutional	683,609	603,045	603,045		603,045	
Physical plant	63,375	110,414	110,414		110,414	
Total expenditures	10,111,994	11,670,260	11,670,260		11,670,260	
Excess (deficiency) of revenues over expenditures	(70,102)	29,809	29,809		29,809	
Other financing sources (uses):						
Transfers in		400,000	400,000		400,000	
Transfers out	(18,600)	(29,517)	(29,517)		(29,517)	
Total other financing sources (uses)	(18,600)	370,483	370,483		370,483	
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$ (88,702)	\$ 400,292	400,292		400,292	\$ 0
Fund balance at beginning of year			2,637,858		2,637,858	
Fund balance at end of year			\$ 3,038,150	\$ 0	\$ 3,038,150	
Fund balance:						
Designated for subsequent year			\$ 400,000			
Designated for operations			2,638,150			
Total fund balance			\$ 3,038,150			

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, 2020

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$ 200,000	\$ 166,715	\$ 166,715	\$ 0	\$ 166,715	\$ 0
State revenues	1,299,000	1,230,181	1,230,181		1,230,181	
Federal revenues	9,602,052	10,817,313	10,817,313		10,817,313	
Other student fees	787,800	245,582	245,582		245,582	
Institutional revenues	232,300	58,497	58,497		58,497	
Total revenues	12,121,152	12,518,288	12,518,288		12,518,288	
Expenditures:						
Student services	11,992,493	12,517,186	12,517,186		12,517,186	
Public service	50,000					
Total expenditures	12,042,493	12,517,186	12,517,186		12,517,186	
Excess of revenues over expenditures	78,659	1,102	1,102		1,102	
Other financing sources - Transfers in	18,600					
Excess of revenues and other financing sources over expenditures	\$ 97,259	\$ 1,102	1,102		1,102	\$ 0
Fund balance at beginning of year, as restated			9,011		9,011	
Fund balance at end of year			\$ 10,113	\$ 0	\$ 10,113	

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, 2020

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
State revenues	\$ 350,149	\$ 362,209	\$ 362,209	\$ 0	\$ 362,209	\$ 0
Federal revenues		413,096	413,096		413,096	
Institutional revenues	249,242	570,859	570,859		570,859	
Total revenues	599,391	1,346,164	1,346,164		1,346,164	
Expenditures:						
Capital outlay:						
Instruction	2,340,089	2,326,679	2,326,679		2,326,679	
Instructional resources	1,407,003	980,446	980,446		980,446	
General institutional	4,867,917	4,529,270	4,529,270		4,529,270	
Physical plant	4,711,614	5,336,575	5,336,575		5,336,575	
Total expenditures	13,326,623	13,172,970	13,172,970		13,172,970	
Deficiency of revenues over expenditures	(12,727,232)	(11,826,806)	(11,826,806)		(11,826,806)	
Other financing sources:						
Transfers in		400,000	400,000		400,000	
Issuance of long-term debt	11,500,000	10,000,000	10,000,000		10,000,000	
Total other financing sources	11,500,000	10,400,000	10,400,000		10,400,000	
Deficiency of revenues and other financing sources over expenditures	\$ (1,227,232)	\$ (1,426,806)	(1,426,806)		(1,426,806)	\$ 0
Fund balance at beginning of year			16,090,893		16,090,893	
Fund balance at end of year			\$ 14,664,087	\$ 0	\$ 14,664,087	
Fund balance - Reserved for capital projects			\$ 14,664,087			

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, 2020

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local revenues	\$ 10,555,619	\$ 13,009,883	\$ 13,009,883	\$ 0	\$ 13,009,883	\$ 0
Institutional revenues	51,000	68,584	68,584		68,584	
Total revenues	10,606,619	13,078,467	13,078,467		13,078,467	
Expenditures - Physical plant	12,728,590	12,559,516	12,559,516		12,559,516	
Excess (deficiency) of revenues over expenditures	(2,121,971)	518,951	518,951		518,951	
Other financing sources - Premium on long-term debt	369,000	419,325	419,325		419,325	
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ (1,752,971)</u>	<u>\$ 938,276</u>	938,276		938,276	<u>\$ 0</u>
Fund balance at beginning of year			3,945,931		3,945,931	
Fund balance at end of year			<u>\$ 4,884,207</u>	<u>\$ 0</u>	<u>\$ 4,884,207</u>	
Fund balance - Reserved for debt service			<u>\$ 4,884,207</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, 2020

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Operating revenues:						
Local	\$ 0	\$ 56,704	\$ 56,704	\$ 0	\$ 56,704	\$ 0
Institutional	2,179,000	2,041,306	2,041,306		2,041,306	
Total operating revenues	2,179,000	2,098,010	2,098,010		2,098,010	
Operating expenses - Auxiliary services	2,215,000	2,128,384	2,128,384		2,128,384	
Operating income	(36,000)	(30,374)	(30,374)		(30,374)	
Operating transfers:						
Transfers out		(17,632)	(17,632)		(17,632)	
Total operating transfers		(17,632)	(17,632)		(17,632)	
Change in net position	<u>\$ (36,000)</u>	<u>\$ (48,006)</u>	(48,006)		(48,006)	<u>\$ 0</u>
Net position at beginning of year			465,958		465,958	
Net position at end of year			<u>\$ 417,952</u>	<u>\$ 0</u>	<u>\$ 417,952</u>	
Net position - Unrestricted			<u>\$ 417,952</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, 2020

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Operating revenues - Institutional	\$ 6,931,718	\$ 6,602,029	\$ 6,602,029	\$ 0	\$ 6,602,029	\$ 0
Operating expenses - Auxiliary services	6,937,718	6,352,342	6,352,342		6,352,342	
Operating income (loss)	(6,000)	249,687	249,687		249,687	
Change in net position	<u>\$ (6,000)</u>	<u>\$ 249,687</u>	249,687		249,687	<u>\$ 0</u>
Net position at beginning of year			1,357,047		1,357,047	
Net position at end of year			<u>\$ 1,606,734</u>	<u>\$ 0</u>	<u>\$ 1,606,734</u>	
Net position - Unrestricted			<u>\$ 1,606,734</u>			

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Northcentral Technical College District

Notes to Budgetary Comparison Schedules

Note 1: Budgetary Accounting

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

Property taxes are levied by the various taxing municipalities located primarily in Marathon, Clark, Lincoln, Menominee, Portage, Price, Shawano, Taylor, Waupaca, and Langlade Counties. The District records as revenues its share of the local tax when levied, since the District's share becomes available during its fiscal year to finance its operations.

Public hearings are conducted on the proposed budget.

Prior to July 1, the budget is legally enacted through approval by the Board.

Budget amendments during the year are legally authorized. Budget transfers (between funds and functional areas within funds) and changes in budgeted revenues and expenditures (appropriations) require approval by a vote of two-thirds of the entire membership of the Board and require publishing a Class I public notice in the District's official newspaper within ten days according to Wisconsin statutes. It is the Board's policy to amend the budget to actual each fiscal year.

Management exercises control over budgeted expenditures by fund and function (i.e., instruction, instructional resources, etc.), as presented in the required supplementary information. Expenditures may not exceed funds available or appropriated, unless authorized by a resolution adopted by a vote of two-thirds of the Board. Unused appropriations lapse at the end of each fiscal year.

Formal budgetary integration is employed as a planning device for all funds. The annual operating budget is prepared primarily on the same basis as fund financial statements prior to the adoption of GASB Statement No. 34, except encumbrances are also included in the adopted budget. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process.

Northcentral Technical College District

Notes to Budgetary Comparison Schedules

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

Revenues

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

General Fund	\$ 39,800,705
Special Revenue Aidable Fund	11,700,069
Special Revenue Non-Aidable Fund	12,518,288
Capital Projects Fund	1,346,164
Debt Service Fund	13,078,467
Enterprise Fund	2,098,010
Internal Service Fund	6,602,029

87,143,732

Adjustments:

Interfund charges from internal service and fiduciary funds are eliminated for GAAP reporting	(6,456,437)
Interfund charges for rent are eliminated for GAAP reporting	(156,867)
Student aid in the form of loans is included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(4,921,488)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(4,445,369)
Summer tuition recognized on the cash basis is adjusted to accrual basis for GAAP reporting	28,315
Property taxes levied for debt service payments in the subsequent fiscal year are deferred for budgetary purposes	(2,004,646)

Reconciled revenues \$ 69,187,240

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

Operating revenues	\$ 25,831,919
Property taxes	21,889,541
State operating appropriations	19,750,509
CARES Act funding	1,335,000
Investment income	380,271

Total \$ 69,187,240

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	\$ 37,359,903
Special Revenue Aidable Fund	11,670,260
Special Revenue Non-Aidable Fund	12,517,186
Capital Projects Fund	13,172,970
Debt Service Fund	12,559,516
Enterprise Fund	2,128,384
Internal Service Fund	6,352,342

95,760,561

Adjustments:

Interfund charges from internal service funds are eliminated for GAAP reporting	(6,456,437)
Interfund charges for rent are eliminated for GAAP reporting	(156,867)
Student aid in the form of loans are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(4,921,488)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(4,445,369)
Cash basis expenditures adjusted to accrual basis for GAAP reporting:	
Summer school instructional wages	2,976
Postemployment benefits	(305,206)
Pension-related benefits	271,659
Compensated absences	1,874
The acquisition of capital assets, excluding donations, is reported as an expenditure for budgetary purposes	(11,245,740)
Repayment of principal on long-term debt is a budgetary expenditure	(11,395,000)
Bond premium is amortized for GAAP purposes	(224,887)
Depreciation and loss on capital asset disposals recorded for GAAP purposes	8,953,134

Expenses on a GAAP basis	\$ 65,839,210
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Expenses per the Statement of Revenues and Expenses on a GAAP basis:

Operating expenses	\$ 64,868,605
Loss on disposal of capital assets	118,185
Interest expense	852,420

Total	\$ 65,839,210
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Other financing sources and uses such as transfers in (out) and proceeds from issuance of long-term debt are not recognized as revenues or expenses for GAAP reporting.

Northcentral Technical College District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

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	\$ 41,403	\$ 0	\$ 36,747
U.S. Department of Interior Bureau of Indian Affairs Direct Program Indian Education - Higher Education Grant Program	15.114		7/1/19-6/30/20		50,731		
U.S. Department of Labor Pass-Through Programs Wisconsin Technical College System Direct Training Aid	17.268	15-855-155-110	7/1/19-6/30/20	7,200	7,200		
Direct Training Aid	17.268	15-857-155-110	7/1/19-6/30/20	11,700	11,700		
Total U.S. Department of Labor					18,900		
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	367,832		221,362
Mentor Connect	47.076		1/1/20-1/31/20	2,400	2,400		
Total National Science Foundation					370,232		221,362
U.S Department of Education Direct Programs Student Financial Aid Cluster Federal Supplemental Education Opportunity Grants	84.007	P007A194527	7/1/19-6/30/20	121,235	144,336		
Federal Direct Student Loan Program Subsidized Stafford	84.268	P268K192670	7/1/18-6/30/19		(1,220)		
Subsidized Stafford	84.268	P268K202670	7/1/19-6/30/20		2,969,183		
Subsidized Stafford	84.268	P268K212670	7/1/20-6/30/21		50,331		
Unsubsidized Stafford	84.268	P268K192670	7/1/18-6/30/19		(20)		
Unsubsidized Stafford	84.268	P268K202670	7/1/19-6/30/20		1,842,476		
Unsubsidized Stafford	84.268	P268K212670	7/1/20-6/30/21		24,197		
PLUS	84.268	P268K202670	7/1/19-6/30/20		24,541		
Total CFDA 84.268					4,909,488		
Federal Work Study Program Federal Work Study Program	84.033	P033A194527	7/1/19-6/30/20		120,790		
Federal Pell Grant Program Pell Grant Administrative Allowance	84.063	P063Q192670	7/1/19-6/30/20		8,075		
Federal Pell Grant Program	84.063	P063P182670	7/1/18-6/30/19		1,523		
Federal Pell Grant Program	84.063	P063P192670	7/1/19-6/30/20		4,613,491		
Federal Pell Grant Program	84.063	P063P202670	7/1/20-6/30/21		271,540		
Total CFDA 84.063					4,894,629		
Total Student Financial Assistance Cluster					10,069,243		

Northcentral Technical College District

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2020

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 (Continued)							
Direct Programs (Continued)							
Education Stabilization Fund							
COVID-19 CARES ACT - Higher Education Emergency Relief Fund - Student Support	84.425E	P425E201151	4/23/20-4/22/21	\$ 741,189	\$ 698,491	\$ 0	\$ 0
COVID-19 CARES ACT - Higher Education Emergency Relief Fund - College Support	84.425F	P425F200788	5/6/20-5/5/21	741,188	636,509		
Total CFDA 84.425					1,335,000		
Adult Education - Basic Grants to States							
Pass-Through Programs							
Wisconsin Technical College System							
NTC District Consortium for Comprehensive Services (IELCE)	84.002	15-510-146-160	7/1/19-6/30/20	\$ 8,662	\$ 8,662	\$	
NTC District Consortium for Comprehensive Services	84.002	15-511-146-120	7/1/19-6/30/20	285,593	282,592	111,965	
NTC District ELL Services/IELCE Program	84.002	15-520-146-160	7/1/19-6/30/20	85,000	85,000	28,333	
Services to At-Risk Populations - Incarcerated Individuals	84.002	15-531-146-110	7/1/19-6/30/20	70,496	70,496	23,498	
Services to At-Risk Populations - CBOs	84.002	15-541-146-170	7/1/19-6/30/20	14,504	14,504	4,835	
Total CFDA 84.002					461,254	168,631	
Vocational Education - Basic Grants							
Pass-Through Programs							
Wisconsin Technical College System							
Achieving Student Success for At-Risk Students	84.048	15-102-150-230	7/1/19-6/30/20	378,133	378,133	347,415	
Increasing Nontraditional Occupations Enrollment and Completion	84.048	15-104-150-260	7/1/19-6/30/20	25,209	25,200		
Career Prep	84.048	15-107-150-210	7/1/19-6/30/20	40,856	37,331		
Strengthening Programs	84.048	15-108-150-250	7/1/19-6/30/20	100,835	100,835		
Capacity Building for Equity & Inclusion	84.048	15-109-150-220	7/1/19-6/30/20	26,802	25,960		
Total CFDA 84.048					567,459	347,415	
Pass-Through Programs							
Wisconsin Department of Public Instruction							
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	7/1/19-6/30/20		2,225		
Total U.S. Department of Education					12,435,181	516,046	
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-00	3/1/18-2/28/20		15,752		
U.S. Department of Homeland Security							
Pass-Through Programs							
Wisconsin Technical College System							
Assistance to Firefighters Grant	97.044	15-847-153-110	7/1/19-8/3/20	24,650	21,469	3,221	
TOTAL FEDERAL AWARDS					\$ 12,953,668	\$ 519,267	\$ 258,109

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, 2020

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	7/1/19-6/30/20	\$ 0	\$ 1,070,802	\$ 0	\$ 0
Remission of Fees for Veterans and Dependents	235.105	N/A	7/1/19-6/30/20		69,433		
Minority Undergraduate Retention Grant	235.107	N/A	7/1/19-6/30/20		2,060		
Wisconsin Covenant Grant	235.108	N/A	7/1/19-6/30/20		4,000		
Academic Excellence Scholarship	235.109	N/A	7/1/19-6/30/20		6,187	6,188	
Hearing and Visually Handicapped Student Grant	235.112	N/A	7/1/19-6/30/20		2,093		
Talent Incentive Program	235.114	N/A	7/1/19-6/30/20		25,100		
Nursing Student Loan	235.117	N/A	7/1/19-6/30/20		12,000		
Technical Excellence Scholarship	235.119	N/A	7/1/19-6/30/20		52,316	52,309	
Wisconsin Foundation Covenant Grant	235.131	N/A	7/1/19-6/30/20		6,250		
Indian Student Assistance Grant	235.132	N/A	7/1/19-6/30/20		8,800		
Total Wisconsin Higher Education Aids Board					1,259,041	58,497	
Wisconsin Technical College System							
Direct Programs							
Emergency Assistance Grants	292.104	15-850-104-110	7/1/19-6/30/20	13,927	13,927		
State Aids for Wisconsin Technical College System							
General State Aids	292.105	N/A	7/1/19-6/30/20		4,748,600		
Outcomes Based Aid	292.105	N/A	7/1/19-6/30/20		1,982,503		
General State Aid Adjustment - Prior Year	292.105	N/A	7/1/19-6/30/20		(485,800)		
Total 292.105					6,245,303		
Wisconsin Technical College System							
Direct Programs							
Next Generation Workforce & Leadership Consortium	292.124	15-882-124-179	7/1/18-8/31/19	200,000	2,884		
Developing Markets - Cosmetology	292.124	15-828-124-140	7/1/19-6/30/20	200,000	200,000		
Consortium: Career Pathways for Educational Attainment	292.124	15-820-124-120	7/1/19-8/30/20	449,998	418,466	139,489	
Promoting Academic & Student Success with							
Supplemental Support & Services	292.124	15-824-124-160	7/1/19-9/30/20	225,000	217,667	73,504	
Adult Career Pathways	292.124	15-833-124-120	7/1/19-9/30/20	197,304	194,228	64,796	
Professional Development for Faculty & Staff	292.124	15-849-124-150	7/1/19-6/30/20	57,539	55,148	27,574	
Building a Safer Workplace Consortium	292.124	15-884-124-179	7/1/18-8/31/19	185,088	11,900		
Building Technical Talent & Leadership Skills Consortium	292.124	15-885-124-179	7/1/18-11/30/19	186,372	8,894		
Student Success Center Leadership	292.124	15-836-124-190	7/1/19-6/30/20	20,000	20,000		
Machinist Tool & Die Apprentice-Related Instruction							
Program	292.124	15-858-124-110	7/1/19-6/30/20	3,600	3,600		
Core Industry: Meeting Critical Transportation Workforce							
Shortage	292.124	15-864-124-139	7/1/18-6/30/20	362,905	178,460		
Consortium: Aligning Electromechanical & Industrial							
Mechanical Career Pathways	292.124	15-865-124-139	7/1/18-6/30/19	415,138	263,577		120,234
Consortium: Truck Driving	292.124	15-867-124-180	8/30/19-8/29/20	75,233	48,407		39,343
Continuous Improvement Consortium	292.124	15-883-124-179	7/1/18-8/31/19	200,000	3,991		
High Growth Companies Seeking Essential Skills for							
Business Professionals	292.124	15-881-124-170	7/1/19-11/30/20	171,039	152,003		
Continuous Improvement Consortium	292.124	15-883-124-170	7/1/19-11/30/20	200,000	121,449		
Building Safer Workplaces Consortium	292.124	15-884-124-170	7/1/19-11/30/20	200,000	106,177		
Building Technical Talent & Leadership Skills Consortium	292.124	15-885-124-170	7/1/19-11/30/20	66,676	23,651		
Core Industry - Medical Assistant	292.124	15-838-124-130	7/1/19-6/30/21	535,961	252,877		106,672
Core Industry - Wood Science	292.124	15-843-124-130	7/1/19-6/30/21	494,091	341,849		
Pass-Through Programs							
Chippewa Valley Technical College							
AMN-NW Gold Collar Careers	292.124	01-987-124-189	7/1/18-9/30/19	10,466	9,140		
AMN-NW Gold Collar Careers	292.124	01-087-124-190	10/1/19-9/30/20	9,180	463		
IT Apprenticeship Systemwide Project	292.124	01-998-124-189	2/18/19-2/17/20	700	700		
Total 292.124					2,635,531	305,363	266,249
Fire Certification Training							
Fire Certification Training	292.137	N/A	7/1/19-6/30/20		28,388		
HazMat Training	292.138	N/A	7/1/19-6/30/20		2,567		
Wisconsin Apprenticeship Forward	292.138	15-856-138-310	7/1/19-6/30/20	9,900	9,900		
Total 292.138					12,467		
Property Tax Relief Aid	292.162	N/A	7/1/19-6/30/20		13,229,408		
Total Wisconsin Technical College System					22,165,024	305,363	266,249

Northcentral Technical College District

Schedule of Expenditures of State Awards (Continued)

Year Ended June 30, 2020

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	\$ (160)	\$ 0	\$ 0
Department of Workforce Development							
Direct Programs							
Local Youth Apprenticeship	445.107	3706	7/1/19-6/30/20	240,300	238,825	120,150	
Wisconsin Fast Forward NTC District HS Certifications	445.107	EFF181HS10004	6/18/18-6/30/20	96,545	60,303		
Wisconsin Fast Forward Increasing Instructor Capacity to Teach Dual Enrollment	445.107	EFF181DE10011	6/7/18-8/31/21	200,000	72,600		
Total Department of Workforce Development					371,728	120,150	
Wisconsin Department of Transportation							
Direct Programs							
Motorcycle Safety - Basic Rider	20.395(4)(aq)	N/A	1/1/20-6/30/20		23,196		
Motorcycle Safety - Basic Rider 2 Course	20.395(4)(aq)	N/A	1/1/20-6/30/20		50		
Total Wisconsin Department of Transportation					23,246		
TOTAL STATE FINANCIAL ASSISTANCE					\$ 23,818,879	\$ 484,010	\$ 266,249

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, 2020. 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	\$ 6,709,180
CARES Act funding	1,335,000

Total Federal revenues per statement of revenues, expenses, and changes in net position	8,044,180
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Adjustments:

Federal Direct Loan Program (CFDA #84.268)	4,909,488
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Federal revenues per schedule of expenditures of federal awards	\$ 12,953,668
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State:

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

Operating revenues - State grants	\$ 4,301,214
Non-operating revenues - State operating appropriations	19,750,509

Total State revenues per statement of revenues, expenses, and changes in net position	24,051,723
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Adjustment - Nursing Student Loan (State ID# 235.117)	12,000
Adjustment - Payments in Lieu of Taxes	(31,194)
Adjustment - State Aid-Personal Property Tax	(101,636)
Adjustment - Aid in Lieu of Computer Taxes	(112,014)

State revenues per schedule of expenditures of state awards	\$ 23,818,879
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STATISTICAL SECTION

YEARS ENDED 2020 & 2019

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)

	2020	Restated 2019	Restated 2018	2017	2016	2015	2014	2013	2012	2011
Net investment in capital assets	\$23,839,782	\$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
Restricted for debt service	8,396,806	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
Restricted for pension benefit	5,519,445					4,402,643				
Unrestricted	12,315,542	15,540,947	18,166,960	17,801,658	18,737,591	21,614,051	19,179,833	21,597,609	21,362,082	21,903,976
Total net position	\$50,071,575	\$46,723,545	\$50,607,167	\$51,671,084	\$58,299,251	\$65,177,655	\$58,190,756	\$59,550,303	\$56,394,627	\$53,765,815

Northcentral Technical College District

Changes in Net Position

Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating revenues:										
Student program fees, net of scholarship allowances	\$5,205,781	\$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
Student material fees, net of scholarship allowances	341,682	356,349	346,263	331,100	398,967	347,126	358,249	347,082	323,597	326,035
Other student fees, net of scholarship allowances	861,289	858,693	727,238	346,153	390,000	340,848	162,453	28,406	53,305	391,829
Federal grants	6,709,180	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
State grants	4,301,214	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
Business and industry contract revenues	4,423,369	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
School District contract revenues	794,688	721,485	743,169	693,180	669,328	636,323	655,060	676,448	718,401	672,582
Auxiliary enterprise revenues	2,025,971	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
Miscellaneous	1,168,745	1,267,747	1,206,794	1,473,424	849,434	1,192,697	1,315,374	1,186,501	1,849,936	1,384,920
Total operating revenues	25,831,919	25,206,374	25,532,324	26,153,079	28,414,681	28,677,571	27,044,732	27,244,093	25,501,462	26,457,300
Operating expenses:										
Instruction	31,091,502	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
Instructional resources	1,272,272	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
Student services	4,398,553	4,532,906	4,314,762	4,113,066	4,164,310	4,191,157	4,129,864	4,618,620	4,489,910	4,446,312
General institutional	10,624,143	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
Physical plant	3,960,895	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
Auxiliary enterprise services	2,034,632	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
Public service							45,415		36,277	
Depreciation	8,834,949	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
Student aid	2,651,659	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
Total operating expenses	64,868,605	68,525,683	66,155,487	70,504,962	67,337,479	65,291,786	64,289,329	59,183,148	58,311,195	59,032,750
Operating loss	(39,036,686)	(43,319,309)	(40,623,163)	(44,351,883)	(38,922,798)	(36,614,215)	(37,244,597)	(31,939,055)	(32,809,733)	(32,575,450)
Nonoperating revenues (expenses):										
Property taxes	21,889,541	20,865,483	20,323,698	19,742,496	19,233,396	18,457,033	31,075,521	30,099,517	30,811,262	30,427,497
State operating appropriations	19,750,509	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
CARES Act Funding	1,335,000									
Gain (loss) on disposal of capital assets	(118,185)	8,105	(2,641)	(797,071)	(16,649)				(17,048)	(6,980)
Investment income earned	380,271	567,569	290,730	126,786	88,442	75,530	124,243	80,276	136,086	112,977
Interest expense	(852,420)	(1,003,886)	(586,501)	(602,618)	(461,430)	(454,482)	(489,114)	(405,118)	(491,127)	(617,331)
Transfer of capital assets to Wausau Area Community Network						(1,593,733)				
Total nonoperating revenues	42,384,716	39,435,687	39,412,657	37,723,716	37,812,300	35,661,466	35,885,050	35,094,731	35,415,805	37,006,783
Income (loss) before other changes in net position	3,348,030	(3,883,622)	(1,210,506)	(6,628,167)	(1,110,498)	(952,749)	(1,359,547)	3,155,676	2,606,072	4,431,333
Impairment gain on tornado damage									22,740	
Other - Cumulative effect of change in accounting principle						(5,767,906)	7,939,648			
Total change in net position	\$3,348,030	(\$3,883,622)	(\$1,210,506)	(\$6,628,167)	(\$1,110,498)	(\$6,720,655)	\$6,580,101	\$3,155,676	\$2,628,812	\$4,431,333

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.

The District implemented GASB 84 beginning with fiscal year ended June 30, 2020, and restated fiscal year ended June 30, 2019 and June 30, 2018, 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)
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%			
2019	11,851,124,344	2,938,298,420	631,239,400	362,318,841	155,237,926	955,464,366	633,420,310	349,076,205	17,876,179,812	15,713,207,743	1.27009
% of Total	66.30%	16.44%	3.53%	2.03%	0.87%	5.34%	3.54%	1.95%			

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District Direct Rates:										
Operational (1)	0.632	0.632	0.642	0.639	0.635	0.627	1.510	1.497	1.499	1.499
Debt Service	0.638	0.630	0.626	0.626	0.626	0.591	0.575	0.526	0.523	0.476
Total Direct Rate	1.270	1.262	1.268	1.265	1.261	1.218	2.085	2.023	2.022	1.975
<u>Clark County</u>										
T Beaver	20.77	20.74	20.84	21.84	22.00	21.55	21.53	20.55	20.49	20.58
T Colby	20.51	20.66	20.74	21.06	21.27	20.74	20.84	21.42	19.56	18.98
T Eaton	21.88	21.53	21.49	22.32	24.28	24.18	25.01	24.23	23.49	23.20
T Fremont	22.41	21.74	21.70	21.98	22.24	22.38	22.52	22.52	22.43	21.92
T Green Grove	19.58	18.90	19.68	20.05	19.85	20.02	19.16	19.64	19.70	19.80
T Hoard	18.65	17.55	18.95	19.45	18.78	18.62	17.23	18.45	19.20	20.33
T Loyal	20.91	20.91	20.96	22.04	22.08	21.60	21.55	20.56	20.63	20.69
T Mayville	22.03	22.33	22.48	21.96	23.33	23.37	22.39	22.78	21.60	21.00
T Sherman	20.86	20.41	20.85	21.30	20.81	20.73	20.59	20.10	19.95	19.26
T Unity	20.92	20.94	21.29	21.60	21.25	21.39	21.36	21.65	20.69	19.85
T Warner	23.64	23.48	22.92	23.83	25.73	25.75	26.46	25.64	24.93	24.56
T Weston	18.89	18.72	19.06	19.71	20.39	19.92	20.72	21.63	21.16	20.76
T York	20.20	20.08	19.97	20.90	21.03	21.04	21.37	21.58	21.47	21.21
V Curtiss	22.79	23.15	22.95	21.04	32.94	32.81	31.04	31.49	30.84	27.81
V Dorchester	24.77	24.91	25.02	25.52	25.37	25.51	25.69	26.40	24.42	24.07
V Unity	22.50	22.69	22.89	22.99	23.34	23.38	23.39	23.83	22.31	21.30
C Abbotsford	26.27	26.08	25.87	24.08	27.85	26.49	26.57	26.60	25.33	24.86
C Colby	26.87	26.88	27.14	27.38	27.38	28.13	28.60	28.43	26.63	25.23
C Loyal	28.37	28.93	29.01	30.46	30.88	29.33	29.22	27.34	28.24	27.00
<u>Langlade County</u>										
T Ackley	16.88	16.98	17.28	17.50	17.58	17.62	17.79	16.84	18.11	17.52
T Antigo	16.88	17.02	17.50	18.13	18.35	18.55	19.05	18.30	19.49	18.93
T Evergreen	19.14	20.40	20.36	21.94	20.75	19.57	20.58	20.27	20.62	20.68
T Langlade	15.91	16.09	16.55	17.01	17.16	17.34	17.81	17.12	18.39	17.92
T Neva	17.21	17.45	17.86	18.07	18.26	17.77	18.13	17.52	18.62	18.01
T Norwood	15.98	16.07	16.59	17.00	17.31	17.63	18.05	17.34	18.61	18.00
T Peck	15.29	15.39	15.86	16.05	16.34	16.65	17.04	16.33	17.52	16.96
T Polar	16.08	16.21	16.75	17.32	17.67	17.89	18.24	17.53	18.85	18.32
T Price	15.48	15.61	16.09	16.47	16.79	17.07	17.50	16.78	18.05	17.48
T Rolling	16.96	19.24	17.56	17.98	18.29	18.65	19.05	18.23	19.50	18.89
T Summit	15.53	15.62	16.19	16.47	16.65	16.93	17.37	16.67	17.94	17.29
T Upham	14.06	14.20	14.69	13.25	13.38	13.62	14.23	13.55	13.78	13.67
T Vilas	16.20	16.31	16.92	17.33	17.62	17.46	17.89	17.20	18.48	17.86
T Wolf River	18.74	19.95	19.96	21.41	20.14	19.03	20.00	19.74	20.08	20.16
V White Lake	23.65	24.82	25.21	27.51	26.00	24.92	26.06	26.15	26.54	26.92
C Antigo	24.15	24.19	25.23	25.35	25.45	25.78	26.01	25.50	26.48	25.87
<u>Lincoln County</u>										
T Birch	16.24	16.66	16.83	17.26	17.61	18.27	18.42	17.23	17.08	17.44
T Corning	17.81	18.29	18.48	18.90	19.30	19.97	20.20	18.97	19.15	19.46
T Harding	16.86	17.32	17.55	17.95	18.31	18.93	19.12	17.58	17.79	18.14
T Harrison	16.83	17.18	17.41	16.66	16.35	16.54	17.54	16.13	16.31	16.16

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Lincoln County</u> (Continued)										
T Merrill	17.41	17.87	17.94	18.37	18.73	19.37	19.51	18.32	18.54	19.01
T Pine River	18.42	18.62	18.86	19.23	19.67	20.39	20.64	19.35	19.51	19.84
T Rock Falls	16.99	17.34	17.56	17.71	17.93	18.55	18.83	17.62	17.89	18.14
T Russell	17.61	18.11	18.36	18.79	19.14	19.67	19.78	18.55	18.76	19.20
T Schley	17.56	17.17	17.38	17.79	18.16	18.82	18.98	17.75	17.98	18.34
T Scott	18.09	18.57	18.81	19.20	19.69	20.41	20.51	19.20	19.50	19.81
C Merrill	30.00	31.08	30.93	32.37	32.08	33.00	31.02	29.17	29.48	29.79
<u>Marathon County</u>										
T Bergen	15.89	16.75	16.92	16.99	17.48	18.16	19.25	18.99	19.11	18.52
T Berlin	18.82	19.15	19.49	19.90	20.21	19.98	20.69	20.66	20.79	20.45
T Bern	17.13	16.10	17.13	18.60	19.18	19.02	19.89	19.83	19.48	19.74
T Bevent	17.01	16.92	17.13	17.86	18.23	18.88	18.82	18.99	17.84	17.65
T Brighton	19.18	19.23	20.10	20.04	19.58	19.85	20.50	20.91	20.11	18.92
T Cassel	17.86	17.78	18.13	18.48	18.51	18.57	18.91	19.20	19.27	18.41
T Cleveland	17.60	17.89	17.64	18.35	17.99	18.14	19.15	18.93	18.86	18.11
T Day	17.83	19.01	19.80	19.99	19.66	20.13	20.58	20.36	20.03	19.31
T Easton	20.41	20.37	20.98	21.29	22.15	22.34	21.92	21.75	21.17	20.67
T Eau Pleine	16.62	17.39	16.61	17.13	16.88	17.17	18.12	17.83	17.77	16.95
T Elderon	16.61	15.64	15.95	16.25	17.50	17.78	17.45	17.91	17.71	16.73
T Emmet	16.87	17.35	17.61	17.83	17.98	18.34	18.68	18.58	18.69	17.93
T Frankfort	17.75	18.01	18.26	18.50	18.66	18.69	19.48	19.49	18.83	18.21
T Franzen	18.28	17.03	17.39	17.06	18.36	18.69	17.69	17.88	17.67	16.99
T Green Valley	17.35	18.27	18.52	19.03	19.14	19.57	20.74	20.48	20.46	19.74
T Guenther	19.34	19.41	19.68	19.59	20.10	20.99	21.77	21.98	21.52	20.83
T Halsey	18.21	17.04	18.15	19.90	20.53	20.42	21.28	20.07	19.72	20.15
T Hamburg	17.41	17.61	18.10	18.83	19.47	20.10	19.95	19.26	19.39	19.63
T Harrison	14.19	14.57	15.19	15.74	16.44	16.74	17.15	16.54	17.75	17.25
T Hewitt	20.40	20.84	21.16	21.57	22.21	21.95	22.55	22.59	22.66	22.20
T Holton	17.20	17.07	17.18	16.72	17.96	18.07	18.60	18.88	17.62	17.25
T Hull	17.17	17.29	17.52	17.85	18.08	18.11	18.78	19.46	18.03	17.71
T Johnson	18.10	17.50	18.29	18.85	20.10	19.76	20.39	20.32	19.26	19.90
T Knowlton	15.87	16.66	16.85	16.96	17.40	18.13	19.29	19.06	19.16	18.43
T Maine					22.11	21.83	21.98	21.93	22.13	21.95
T Marathon	18.33	18.04	18.09	18.92	18.42	18.77	18.77	19.72	19.66	18.66
T McMillan	16.35	16.68	18.09	18.14	18.44	18.55	19.48	19.61	19.11	18.76
T Mosinee	16.25	17.08	17.34	17.50	17.87	18.60	19.60	19.51	19.56	18.89
T Norrie	17.15	16.30	16.95	17.26	17.42	17.66	17.55	17.59	17.37	16.54
T Plover	18.31	17.94	18.39	18.95	20.12	20.43	20.00	20.15	20.51	19.70
T Reid	16.54	16.33	16.65	16.89	17.83	18.27	18.62	18.70	18.55	17.76
T Rib Falls	18.48	17.92	18.17	18.78	18.82	18.67	18.84	19.34	19.36	18.59
T Rib Mountain	20.44	20.76	21.13	21.25	21.75	21.29	22.18	21.99	21.95	21.65
T Rietbrock	17.94	17.14	18.16	19.33	19.89	19.73	20.56	20.39	20.14	20.20
T Ringle	16.93	17.01	17.58	17.87	18.53	18.63	19.65	19.32	18.82	18.33
T Spencer	18.84	18.88	20.10	19.77	18.82	19.22	19.82	20.11	19.89	18.18
T Stettin	19.68	20.05	20.22	20.66	20.88	20.78	21.45	21.72	21.78	21.36
T Texas	20.34	20.66	21.00	21.35	20.97	20.66	21.44	21.38	21.50	21.22
T Wausau	20.47	20.58	21.01	21.26	21.73	21.46	21.64	21.03	20.90	20.79

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Marathon County (Continued)</u>										
T Weston	18.89	19.05	19.56	18.38	19.08	19.09	19.12	18.81	18.31	17.87
T Wien	17.67	17.91	18.56	18.45	18.46	18.21	19.06	18.63	18.81	18.08
V Athens	22.90	22.05	23.21	24.27	25.08	25.13	26.17	26.30	25.63	25.68
V Birnamwood	18.44	17.63	18.06	18.43	19.73	19.86	19.37	19.83	19.56	18.77
V Brokaw		23.37	33.50	34.02	47.00	37.93	43.17	38.81	30.08	28.97
V Dorchester	21.19	20.27	20.16	20.40	23.75	22.80	23.48	22.35	20.69	21.93
V Edgar	21.86	22.16	22.89	22.68	23.02	22.89	23.37	22.72	22.85	22.32
V Elderon	17.17	16.22	16.52	16.87	18.18	18.55	18.28	18.64	18.33	17.57
V Fenwood	17.90	18.24	19.03	18.82	18.90	18.64	19.46	18.91	19.12	18.53
V Hatley	19.71	19.43	19.57	19.92	20.41	20.50	21.39	21.24	20.47	20.04
V Kronenwetter	19.58	20.08	20.49	19.84	21.69	22.07	22.86	22.60	21.95	21.12
V Maine	20.14	20.32	21.02	21.69						
V Marathon	23.50	23.19	23.14	23.92	23.75	23.98	23.94	25.00	24.55	23.53
V Rothschild	23.01	23.39	23.91	24.06	24.91	24.72	25.53	24.89	23.86	23.45
V Spencer	23.88	24.13	25.41	24.73	23.95	24.75	25.11	25.27	25.19	23.18
V Stratford	21.05	21.00	20.79	21.05	20.60	21.47	22.49	22.26	22.05	21.19
V Unity	18.57	18.75	19.04	19.21	19.70	19.90	20.84	21.40	20.14	19.29
V Weston	22.24	22.49	23.03	23.01	23.73	23.66	24.40	23.99	23.14	22.76
C Abbotsford	22.77	25.16	24.04	20.95	23.98	24.30	24.54	24.58	23.26	23.01
C Colby	23.40	23.09	23.79	24.22	24.32	24.92	26.08	25.88	24.16	23.00
C Mosinee	21.27	22.33	22.72	23.09	23.53	23.68	24.52	24.20	23.81	22.90
C Schofield	23.66	24.33	23.61	24.02	25.47	24.87	25.54	25.21	24.73	24.43
C Wausau	26.36	26.66	27.08	27.60	27.49	26.77	27.89	27.49	27.29	27.03
<u>Menominee County</u>										
T Menominee	19.82	21.23	20.25	20.46	22.86	22.48	22.71	21.63	20.61	20.49
<u>Portage County</u>										
T Alban	19.29	19.33	19.64	20.13	20.13	20.71	20.94	20.66	19.22	19.40
T New Hope	17.03	16.98	17.22	17.58	17.49	17.89	18.67	18.53	17.69	17.58
T Sharon	18.22	17.75	17.67	18.29	18.42	18.56	19.76	19.52	18.69	18.41
T Stockton	17.04	16.82	16.27	17.02	17.34	17.21	19.07	18.75	18.20	18.14
V Rosholt	23.66	23.62	21.99	23.38	23.61	24.50	24.98	22.99	21.81	21.40
<u>Price County</u>										
T Catawba	16.78	16.95	17.17	17.42	17.78	16.93	17.89	18.04	17.27	17.56
T Eisenstein	17.42	17.32	16.78	16.57	16.85	14.80	16.36	16.13	15.43	17.00
T Elk	17.30	17.42	17.74	17.82	18.89	17.47	18.33	18.63	17.69	18.01
T Emery	16.60	16.75	17.10	17.23	17.93	16.88	17.72	17.99	17.17	17.47
T Fifield	19.19	19.36	18.91	18.60	18.39	16.67	18.35	18.20	17.43	19.03
T Flambeau	17.41	17.54	17.89	17.97	18.91	17.58	18.72	18.39	17.50	17.74
T Georgetown	16.55	16.95	17.35	17.46	18.26	17.16	18.06	18.29	17.45	17.67
T Hackett	18.99	19.54	18.43	19.75	19.95	18.30	19.66	19.13	18.99	19.23
T Harmony	17.40	17.58	18.02	18.17	19.29	17.77	18.56	18.63	17.84	18.11
T Hill	19.70	20.26	19.44	20.41	19.56	18.42	19.88	19.29	19.17	19.31
T Kennan	17.47	18.08	18.51	18.57	19.31	17.84	18.77	19.04	18.16	18.31
T Knox	19.74	19.21	17.71	19.40	18.90	17.70	19.68	19.16	19.27	19.53
T Lake	18.68	18.46	17.60	17.00	16.88	15.86	17.50	17.17	16.43	17.83
T Ogema	21.00	21.59	20.22	21.34	21.19	19.06	20.98	19.48	19.61	19.84

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Price County (Continued)</u>										
T Prentice	20.05	20.66	18.49	20.19	19.54	18.41	20.07	19.23	19.44	19.54
T Spirit	19.22	19.59	19.75	19.91	20.18	19.18	20.44	19.94	19.49	19.45
T Worcester	16.59	16.72	17.08	17.17	17.94	16.86	17.69	17.95	17.12	17.36
V Catawba	16.57	16.68	17.06	17.18	17.62	16.89	17.81	17.99	17.22	17.55
V Kennan	16.43	16.57	16.94	17.09	17.52	16.80	17.72	17.89	17.16	17.45
V Prentice	22.75	23.48	22.07	23.51	23.06	21.83	23.54	22.89	23.09	23.30
C Park Falls	29.16	29.90	29.39	28.92	29.29	27.18	29.82	27.41	25.45	27.17
C Phillips	25.45	26.00	26.03	25.79	27.78	25.58	26.27	26.74	25.81	25.88
<u>Shawano County</u>										
T Almon	19.40	19.41	18.28	18.45	18.51	18.41	19.09	19.25	19.31	18.09
T Aniwa	16.47	15.76	16.13	16.53	17.41	17.66	17.46	17.50	17.77	17.08
T Bartelme	17.37	17.87	16.42	16.63	16.61	16.50	17.26	17.35	17.40	16.23
T Birnamwood	17.11	15.79	16.21	16.49	17.65	17.86	17.45	17.91	17.58	16.74
T Fairbanks	18.40	20.20	21.22	21.34	21.42	21.25	21.80	20.69	20.40	20.62
T Germania	16.84	17.34	18.21	18.34	18.74	18.67	18.80	18.34	18.07	17.80
T Grant	19.10	19.05	18.51	20.17	19.84	19.77	20.96	19.73	19.05	19.39
T Hutchins	16.62	16.69	16.63	17.03	17.35	17.48	17.97	17.64	18.31	17.63
T Morris	18.18	18.75	18.91	19.13	19.35	19.30	19.73	19.44	19.27	18.71
T Seneca	19.05	19.84	18.51	18.93	18.45	18.47	19.26	19.14	19.04	18.16
T Wittenberg	17.40	16.04	16.47	16.76	17.92	18.05	17.70	18.16	17.81	16.94
V Aniwa	14.90	14.86	15.44	15.92	16.46	16.74	17.07	16.45	17.57	17.08
V Birnamwood	21.04	19.55	19.49	19.94	20.84	21.26	20.54	20.62	20.23	19.53
V Bowler	18.14	18.21	17.21	17.42	17.41	17.31	17.97	18.14	18.17	16.97
V Eland	17.88	16.16	16.71	17.02	18.00	18.68	18.29	18.69	18.35	17.39
V Mattoon	19.48	19.20	17.17	17.62	18.43	18.66	17.20	18.74	19.73	18.81
V Tigerton	22.56	23.98	24.68	25.04	25.16	25.13	25.24	24.11	23.57	23.56
V Wittenberg	21.42	20.46	20.42	20.38	21.25	21.13	20.55	21.00	20.90	20.05
<u>Taylor County</u>										
T Browning	19.00	19.27	19.58	19.41	19.44	19.00	19.99	19.91	19.57	19.01
T Chelsea	19.02	19.23	19.16	18.99	18.98	18.57	19.54	19.33	18.97	18.40
T Deer Creek	20.12	20.42	20.67	20.48	20.54	20.09	21.08	20.99	20.58	20.00
T Goodrich	19.53	19.79	20.03	19.85	19.89	19.43	20.42	20.35	19.98	19.38
T Greenwood	19.37	19.48	20.62	20.48	21.79	21.11	21.74	21.63	20.78	20.62
T Grover	20.33	21.43	22.08	22.20	22.23	22.26	22.63	21.67	20.84	20.59
T Hammel	21.07	20.84	20.89	20.42	20.45	19.94	21.00	20.84	20.31	19.53
T Holway	20.19	20.43	20.72	20.67	20.28	19.83	21.27	20.73	20.36	19.50
T Little Black	20.18	20.51	20.40	19.93	20.04	19.60	20.74	20.63	20.19	19.61
T Maplehurst	20.00	19.33	20.10	20.48	20.33	20.74	20.03	20.28	20.65	21.06
T Medford	19.43	19.72	19.94	19.77	19.79	19.37	20.36	20.32	19.98	19.41
T Molitor	20.31	20.68	21.00	20.76	20.81	20.36	21.35	21.20	20.91	20.34
T Rib Lake	19.84	20.31	21.40	21.29	22.63	21.91	22.59	22.57	21.61	21.45
T Westboro	20.02	20.56	21.80	21.72	23.03	22.23	22.81	22.89	22.01	21.88
V Rib Lake	23.39	24.03	25.14	25.26	26.35	25.62	26.45	26.75	26.01	25.99
V Stetsonville	20.45	20.22	20.52	19.90	19.89	19.28	20.41	20.46	19.98	19.49
C Medford	23.95	24.54	24.97	24.88	24.76	24.29	25.35	25.18	24.76	24.14

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Waupaca County</u>										
T Harrison	19.95	19.61	19.71	20.47	20.14	20.20	20.52	20.35	19.23	19.27
T Wyoming	17.88	17.73	16.78	18.44	18.91	19.12	20.13	19.05	18.17	18.37

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, 2020			Year Ended June 30, 2011		
		2019 Equalized Valuation	Rank	Percent of NTC Total Equalized Valuation	2010 Equalized Valuation	Rank	Percent of NTC Total Equalized Valuation
Great Lakes Cheese of Wausau Wisconsin LLC	Food manufacturing	\$51,846,800	1	0.30%	\$0		
Marshfield Clinic	Healthcare	46,498,600	2	0.27%	46,162,500	1	0.30%
Spirit Falls Timber, LLC	Forestry	42,924,865	3	0.25%			
Wal-Mart Stores Inc.	Retail	36,778,800	4	0.21%	27,083,440	6	0.18%
Aspirus Wausau Hospital Inc.	Healthcare	34,097,400	5	0.20%	29,553,200	5	0.19%
Ascension Wisconsin	Healthcare	33,111,700	6	0.19%			
Apogee Wausau Group Inc.	Door and window manufacturer	32,176,300	7	0.19%	31,696,900	4	0.21%
Abbyland Foods Inc.	Manufacturer of meat products	31,723,900	8	0.18%			
Greenheck Fan Corporation	Manufacturer of industrial fans	29,688,300	9	0.17%	22,354,200	9	0.15%
S C Swiderski LLC	Rental and construction	26,487,800	10	0.15%			
Employers Insurance of Wausau	Insurance				42,984,800	2	0.28%
Wausau-Mosinee Paper Corporation	Manufacturer of paper products				34,048,700	3	0.22%
Menards Inc.	Retail				26,346,440	7	0.17%
Packaging Corporation of America	Paper mill/manufacturer of corrugated medium				24,303,900	8	0.16%
Saint Clare's Hospital	Healthcare				22,320,700	10	0.15%
Totals		\$365,334,465		2.11%	\$306,854,780		2.01%
Northcentral Technical College Equalized Valuation (TID Out)		\$17,244,992,207			\$15,361,066,821		

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, 2020	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2020	21,902,757	15,850,525	72.37%	6,052,232	21,902,757	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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Obligation Debt										
General obligation notes	\$47,505,000	\$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
Plus deferred premium	1,745,784	1,564,914	1,085,436	1,043,242	846,977	675,454	607,005	554,005	339,765	247,128
Debt service fund assets available	(4,884,207)	(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)
Net general obligation debt	\$44,366,577	\$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
Per capita	\$205.63	\$216.26	\$207.22	\$204.24	\$206.84	\$183.69	\$174.29	\$155.71	\$133.82	\$122.65
Per full-time equivalent student	\$15,501.41	\$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
Percent of equalized value	0.24%	0.27%	0.26%	0.27%	0.28%	0.25%	0.24%	0.23%	0.19%	0.18%
Percent of personal income	0.39%	0.43%	0.42%	0.44%	0.46%	0.41%	0.41%	0.40%	0.35%	0.35%
General Obligation and Other Debt										
General obligation notes	\$47,505,000	\$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
Plus deferred premium	1,745,784	1,564,914	1,085,436	1,043,242	846,977	675,454	607,005	554,005	339,765	247,128
Plus capital lease obligations								4,773	60,253	112,559
General obligation and other debt	\$49,250,784	\$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
Per capita	\$228.27	\$234.60	\$221.14	\$215.74	\$216.11	\$192.33	\$181.27	\$160.59	\$139.98	\$128.17
Per full-time equivalent student	\$17,207.92	\$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
Percent of equalized value	0.27%	0.29%	0.28%	0.28%	0.29%	0.26%	0.25%	0.24%	0.20%	0.19%
Percent of personal income	0.44%	0.46%	0.45%	0.46%	0.48%	0.43%	0.42%	0.42%	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, 2020

Name of Entity (1)	Net Debt Outstanding	Percent Applicable to District (2)	Outstanding Debt Applicable to District
Clark County	\$7,501,803	26.54 %	\$1,990,979
Langlade County	2,410,000	68.19	1,643,379
Lincoln County	16,500,000	50.02	8,253,300
Marathon County	16,000,000	96.75	15,480,000
Menominee County	693,251	100.00	693,251
Portage County	12,215,000	4.06	495,929
Price County	2,978,265	100.00	2,978,265
Shawano County	14,065,000	20.88	2,936,772
Taylor County	1,175,000	79.97	939,648
Waupaca County	30,730,000	0.68	208,964
Total Cities	100,258,774	100.00	100,258,774
Total Towns	12,485,911	Varies	11,719,070
Total Villages	39,206,161	100.00	39,206,161
Total School Districts	241,628,817	Varies	240,238,416
Total Sanitary Districts	4,279,293	100.00	4,279,293
Subtotal, overlapping debt			431,322,201
District direct debt:			
General Obligation Notes			47,505,000
Deferred Premium			1,745,784
Subtotal, District direct debt			49,250,784
Total direct and overlapping debt			\$480,572,985
2019 equalized valuation - TID In			\$18,328,289,807
Direct, overlapping, and underlying indebtedness as a percentage of equalized valuation			2.62%
Population of District			215,759
Direct and overlapping, indebtedness per capita			\$2,227

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, 2020

Legal Debt Margin Calculation for Fiscal Year 2019

2019 Equalized Valuation - TID In	\$18,328,289,807
	x 5%
Total debt limit - 5% of equalized valuation	916,414,490
Debt applicable to limit:	
General obligation notes	\$47,505,000
Less: Debt service funds available (GAAP Basis)	4,884,207
Total amount of debt applicable to debt limit	42,620,793
Legal total debt margin	\$873,793,697

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
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%
2020	916,414,490	42,620,793	873,793,697	4.65%

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 2011 to 2020, 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
2011	236,199	134,414	28,668	19,901	4,202	14,000	20,681	\$8,337,277	\$39,501	\$36,460	\$34,779	\$25,378	\$37,178	\$32,590	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	8,753,339	41,605	37,425	36,870	26,608	39,681	34,747	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	8,797,026	41,683	37,755	37,435	27,573	38,876	35,488	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	9,203,235	43,801	39,220	38,889	27,264	41,312	36,564	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	9,512,144	45,079	41,208	41,037	29,621	42,622	37,957	3.6	4.7	5.6	7.5	4.3	4.7
2016	214,225	135,483	28,787	19,995	4,256	14,086	20,741	9,687,795	46,431	42,459	40,565	28,819	43,090	37,062	3.0	4.0	4.6	6.4	4.3	4.3
2017	214,465	134,943	28,830	20,072	4,248	14,028	20,692	10,016,571	47,965	43,826	42,067	29,065	44,184	37,910	2.4	2.8	3.8	4.3	3.5	3.5
2018	213,917	135,922	28,862	20,131	4,258	14,046	20,746	10,432,197	50,111	45,766	43,223	30,371	45,320	39,051	2.3	2.9	3.7	4.3	3.5	3.6
2019	215,110	136,517	28,957	20,086	4,265	14,216	20,849	10,865,414	52,353	47,792	44,411	31,736	46,485	40,226	2.7	3.8	4.7	6.6	4.7	4.3
2020	215,759	137,237	28,800	20,063	4,267	14,170	20,793	11,316,976	54,695	49,907	45,631	33,162	47,680	41,437	6.9	7.2	8.1	20.6	8.5	6.2

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.
- (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 2019 and 2020 are estimates based on the rate of change from 2017 to 2018, 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 2019 and 2020 are estimates based on the rate of change from 2017 to 2018, subject to future revision.
- (6) Source: Wisconsin Department of Workforce Development. 2020 Unemployment rates are through June 30, 2020.

Northcentral Technical College District

Principal Employers

Current Year and Nine Years Ago

Name of Business	County	Type of Business	Year Ended June 30, 2020			Year Ended June 30, 2011		
			Number of Employees	Rank	Percent of District Population	Number of Employees	Rank	Percent of District Population
Aspirus Wausau Hospital Inc.	Marathon	Healthcare	3,120	1	1.45 %	2,700	2	1.14 %
Greenheck Fan Corporation	Marathon	Manufacturer of industrial fans	1,899	2	0.88	3,100	1	1.31
Kolbe & Kolbe Millwork	Marathon	Manufacturer of windows/doors	1,538	3	0.71	1,450	3	0.61
Marathon Cheese Corporation	Marathon	Cheese packaging	1,385	4	0.64	940	11	0.40
Wausau School District	Marathon	Education	1,300	5	0.60	1,198	5	0.51
Footlocker.com/Eastbay Inc.	Marathon	Supplier of athletic apparel	1,100	6	0.51	1,065	7	0.45
Church Mutual Insurance Company	Lincoln	Insurance	1,044	7	0.48	533	15	0.23
Harley Davidson Motor Co.	Lincoln	Manufacturer of motorcycles	840	8	0.39			
Semling-Menke Co. Inc.	Lincoln	Millwork manufacturer	796	9	0.37			
Marathon County	Marathon	Government	768	10	0.36			
North Central Health Care	Marathon	Health care	700	11	0.32	943	10	0.40
Packaging Corporation of America	Lincoln	Paper mill/manufacturer of corrugated medium	500	12	0.23	430	20	0.18
Wausau Paper Mills	Marathon	Pulp, paper and specialties	500	13	0.23			
Marquip Ward United	Price	Manufacturer of industrial equipment products	500	14	0.23	1,047	8	0.44
Semco Windows & Doors	Lincoln	Manufacturer of windows/doors	446	15	0.21			
Northcentral Technical College	Marathon	Education	421	16	0.20			
Merrill Area Common Public School District	Lincoln	Education	385	17	0.18	500	18	0.21
Flambeau River Papers LLC	Price	Manufacturer of fine paper	350	18	0.16	535	14	0.23
Lincoln Wood Products Inc.	Lincoln	Manufacturer of windows/doors	300	19	0.14	600	12	0.25
Lincoln County	Lincoln	Government	243	20	0.11	450	19	0.19
Wausau-Mosinee Paper Corporation	Marathon	Manufacturer of paper products				1,234	4	0.52
Wausau Insurance/Liberty Mutual	Marathon	Insurance				1,150	6	0.49
Aspirus Clinic	Marathon	Healthcare				1,000	9	0.42
Price County Publications Inc.	Price	Publisher of newspapers without printing				600	13	0.25
WeatherShield Manufacturing Inc.	Taylor	Manufacturer of windows/doors				519	16	0.22
Kraft Pizza Co. (Tombstone)	Taylor	Manufacturer of frozen pizza				500	17	0.21
Total			18,135		8.40 %	20,494		8.66 %

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District Totals:										
Executive/Administrative/Managerial	74	70	70	64	70	61	72	68	69	64
Faculty	134	133	138	140	137	129	121	124	134	147
Secretarial/Clerical	47	49	49	54	49	50	44	50	66	73
Professional Nonfaculty	44	40	33	40	31	36	22	17	21	27
Technical/Paraprofessional	37	37	40	43	44	52	46	46	53	53
Skilled Craft	6	7	8	8	8	9	7	8	7	7
Service/Maintenance	6	6	5	5	4	4	6	6	8	16
District Total	348	342	343	354	343	341	318	319	358	387

Sources:

2013-2020 NTC Human Resources Office

2011-2012 WTCS State Office

Northcentral Technical College District

Enrollment Statistics Historical Comparisons Last Ten Fiscal Years

	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Student enrollment:										
Associate degree	33,401	31,191	31,654	32,168	32,940	32,733	33,582	33,364	32,702	33,672
Vocational:										
Diploma	2,984	3,373	3,298	3,151	3,302	3,133	3,353	4,656	4,254	4,497
Adult	9,463	11,892	11,894	11,883	12,682	12,250	11,606	14,126	12,181	12,914
Basic education	11,857	10,860	12,412	13,738	14,174	12,217	16,005	14,993	15,638	16,031
Total duplicated	57,705	57,316	59,258	60,940	63,098	60,333	64,546	67,139	64,775	67,114
Total unduplicated (A)	29,368	31,191	31,263	31,287	33,193	23,958	24,766	26,466	24,745	25,712
Full-time equivalent (B):										
Associate degree	2,156.2	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
Vocational:										
Diploma	194.7	224.9	214.4	207.8	236.2	244.9	289.9	399.9	354.0	360.0
Adult	100.4	97.3	121.3	97.2	122.1	113.2	111.0	105.2	104.4	111.8
Basic education	410.8	355.5	403.0	449.5	460.1	409.9	521.4	492.3	489.5	526.9
Total unduplicated	2,862.1	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

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)
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
2020	49,030,164	0.13	2,862	2.29	17,131	(2.11)

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
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
2018-2019	1430	839	497	94%	84%	68%	3,713

Notes:

(1) Based on a survey of NTC graduates conducted approximately six months after graduation; therefore, 2019-2020 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
NTC - Wausau:										
Main building	338,968	330,370	330,370	330,370	330,370	326,370	323,745	322,305	322,305	322,305
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
Subtotal	494,174	485,576	485,576	485,576	485,576	481,576	478,951	477,511	477,511	477,511
NTC - Antigo Campus	74,515	74,515	74,515	74,515	74,515	74,515	74,515	74,515	74,515	74,515
NTC - Phillips Campus	29,600	29,600	29,600	29,600	29,600	29,600	29,600	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	9,600
NTC - Merrill Campus	32,176	32,176	27,176	27,176	19,136	19,136	19,136	19,136	17,552	13,846
NTC - Wittenberg Campus	2,691	2,691	2,291	2,291	2,291	1,631				
Agriculture Center of Excellence	33,825	33,825	33,825	28,835	28,835	28,835	22,633	22,633	22,633	
Diesel Building	9,000	9,000	9,000	9,000						
CDL Building	4,300	4,300	3,066							
Subtotal	195,707	195,707	189,073	181,017	163,977	163,317	155,484	143,384	141,800	115,461
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
Diesel Building					9,000	9,000				
Alternative High School Building	6,000	6,000	6,000	6,000	6,000	6,000				
Subtotal	18,500	18,500	18,500	18,500	27,500	27,500	22,100	22,100	22,100	22,100
Total square footage	708,381	699,783	693,149	685,093	677,053	672,393	656,535	642,995	641,411	615,072

Source: NTC Office of Facilities Administrator.

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

COMPLIANCE AUDIT SECTION

YEARS ENDED 2020 & 2019
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, 2020, 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 January 13, 2021.

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) as a basis for designing 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

A handwritten signature in black ink that reads "Wipfli LLP". The script is cursive and fluid, with the letters "W", "i", "p", "f", and "l" being particularly prominent.

Wipfli LLP

January 13, 2021
Rhinelander, Wisconsin

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

District Board
Northcentral Technical College District
Wausau, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Northcentral Technical College District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2020. 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, 2020.

Report on Internal Control Over Compliance

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

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

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

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

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

Wipfli LLP

January 13, 2021
Rhineland, Wisconsin

Northcentral Technical College District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

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

CFDA Number

Name of Federal Program or Cluster

	Student Financial Aid Cluster
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.425E	Educational Stabilization Fund
84.425F	Emergency Relief Fund - Student Support
	Emergency Relief Fund - College Support

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

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2020

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

State Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency (ies) identified? No

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

Unmodified

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

No

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program</u>
235.119	Technical Excellence Scholarship
292.105	General State Aids
292.124	Workforce Advancement Training
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 noncompliance, nonmaterial noncompliance, 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

January 13, 2021

