



Northcentral
TECHNICAL COLLEGE

2015

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

**YEARS ENDED
JUNE 30, 2015 & 2014**

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

Northcentral Technical College District

Comprehensive Annual Financial Report

Years Ended June 30, 2015 and 2014

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Comprehensive Annual Financial Report

Years Ended June 30, 2015 and 2014

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INTRODUCTORY SECTION

YEARS ENDED 2015 & 2014
COMPREHENSIVE
ANNUAL FINANCIAL REPORT

December 1, 2015

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, 2015, 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 within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015. In addition to meeting legal reporting requirements, this report is intended to present a comprehensive summary of the significant financial data of the College in a readable format to meet the varying needs of the District's citizens, taxpayers, students, employees, financial institutions, intergovernmental agencies, and Wisconsin Technical College System.

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

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

Vision, Mission, Community Benefit Statements, Core Beliefs, and Strategic Directions

Vision

Northcentral Technical College District: Building futures one community, one workplace, one learner at a time.

Mission

Northcentral Technical College District is the customer-focused, accessible provider of innovative life-long learning that builds a globally competitive workforce.

Community Benefit Statements

Northcentral Technical College District:

1. Communities have the capability to foster economic growth.
2. Workplaces have an available and skilled workforce.
3. Learners have the knowledge and skills necessary to explore, maintain, or advance in employment or higher education.

Core Beliefs

These are guiding principles or values that are inherent in the institution.

Learner Focus - We believe in an educational environment that exceeds learner expectations and helps them reach their unique potential.

Continuous Learning - We believe in a learning organization comprised of individuals who are competent, forward thinking, accountable, caring, and collaborative.

Ingenuity - We believe in innovation of learning and services through creativity and forward thinking.

Access - We believe in access for all learners through geographic, financial, service, and learning delivery alternatives.

Service to Community - We believe in service to our communities to meet their economic and educational needs.

Diversity - We believe in diversity of thought, culture, opinion, economic status, age, gender, and physical capabilities.

Culture of Professionalism - We believe in a culture that exudes professionalism, treating internal and external customers with integrity and respect.

Strategic Directions

Innovation and Growth - The College develops ideas and implements new products or services to meet current and future stakeholder needs.

Strategic Partnerships - The College becomes the preferred strategic partner of area businesses and industries, K-12 districts, local communities, entrepreneurs and other institutions of higher education to support learning and economic development, establishing NTC as an educational leader.

Continuous Quality Improvement - The College develops innovative ways to continually improve learning, support systems, and processes, and the responsible use of natural resources that enhance organizational effectiveness and demonstrates sustainability. The College encourages and supports professional growth and team development throughout the organization.

Fiscal Strength - The College prudently manages and strengthens its financial resources in order to thrive in a complex and changing environment.

Student Success - The College promotes student retention, degree completion, career and job placement and engages a diverse student population through its programs, support services, and campus settings.

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 Town of Maine. The Wausau Campus also features a Center for Health Sciences, Center for Business & Industry, Information Technology & Entrepreneurial Center (iTEC), Advanced Manufacturing and Engineering Center of Excellence and a Center for Geriatric Education.

The College currently offers over 170 associate degree programs, technical diplomas and short-term certificate options, with many credits transferring to Wisconsin's four-year public and private colleges, creating a seamless path for lifelong learning. Through a variety of flexible course options (www.ntc.edu/flex), NTC is providing an additional opportunity for learners to receive a degree or certification through flexible learning opportunities including late starts, Virtual College and Winterim courses. Additional services include programming in English Language Learning, Adult Basic Education, and HSED/GED, as well as an Academic Resource Center and College Prep Center.

Profile of the NTC District (Continued)

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

Economic Condition

Local Economy

North central Wisconsin continues to be affected by the national economic downturn; however, unemployment rates have decreased significantly since August 2014. For August 2015, only two counties in the NTC District – Langlade and Menominee – are experiencing unemployment rates at or above the state rate. Menominee County is experiencing the highest rate in the state at 10.7%.

In the coming year, NTC will continue to be challenged to reallocate existing resources to support expanded educational opportunities leading to local economic growth.

State Economy

As the need for skilled workers grows, there will continue to be a demand for the educational services provided by NTC. The College continues to implement cost-saving measures to mitigate the state budget impact on student enrollments and services provided by the College to students and businesses within the District. Declining state aids and a recovering economy 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 controls. Significant efforts are made to employ qualified personnel. Similarly, systems are conscientiously developed to provide appropriate levels of supervision and segregation of duties and within which NTC employees can function effectively.

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, 2015. 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

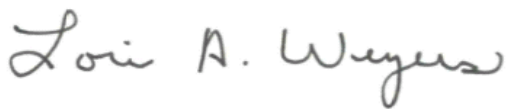
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northcentral Technical College for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 19th consecutive 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 College'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



Dr. Jane L. Kittel, CPA
Vice President of Finance
Chief Financial Officer

NORTHCENTRAL TECHNICAL COLLEGE DISTRICT

Wausau, Wisconsin

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2015

MEMBERS OF THE BOARD



Maria Volpe
Chairperson



Tom Felch
Vice Chairperson



Dr. Kristine Gilmore
Secretary/Treasurer



Doug Faragher
Member



Lee Lo
Member



Douglas Moquin
Member



Paul Proulx
Member



Ruth Risley-Gray
Member



Dale Smith
Member

Executive Leadership Team

Dr. Lori A. Weyers, President - Dr. Jeannie Worden, Vice President of Human Resources/College Advancement - Dr. Shelly Mondeik, Vice President for Learning - Dr. Jane L. Kittel, Vice President of Finance and Chief Financial Officer - Dr. Laurie Borowicz, Vice President of Student Services - Chet Strebe, Chief Information Officer - Rob Elliott, Director of Facilities - Katie Felch, Director of Marketing and Public Relations

Report Prepared By

Dr. Jane L. Kittel, CPA, MBA, Vice President of Finance and Chief Financial Officer
Stefanie Ganser, Controller
Deb Jonas, Resource Development Accountant

Northcentral Technical College District

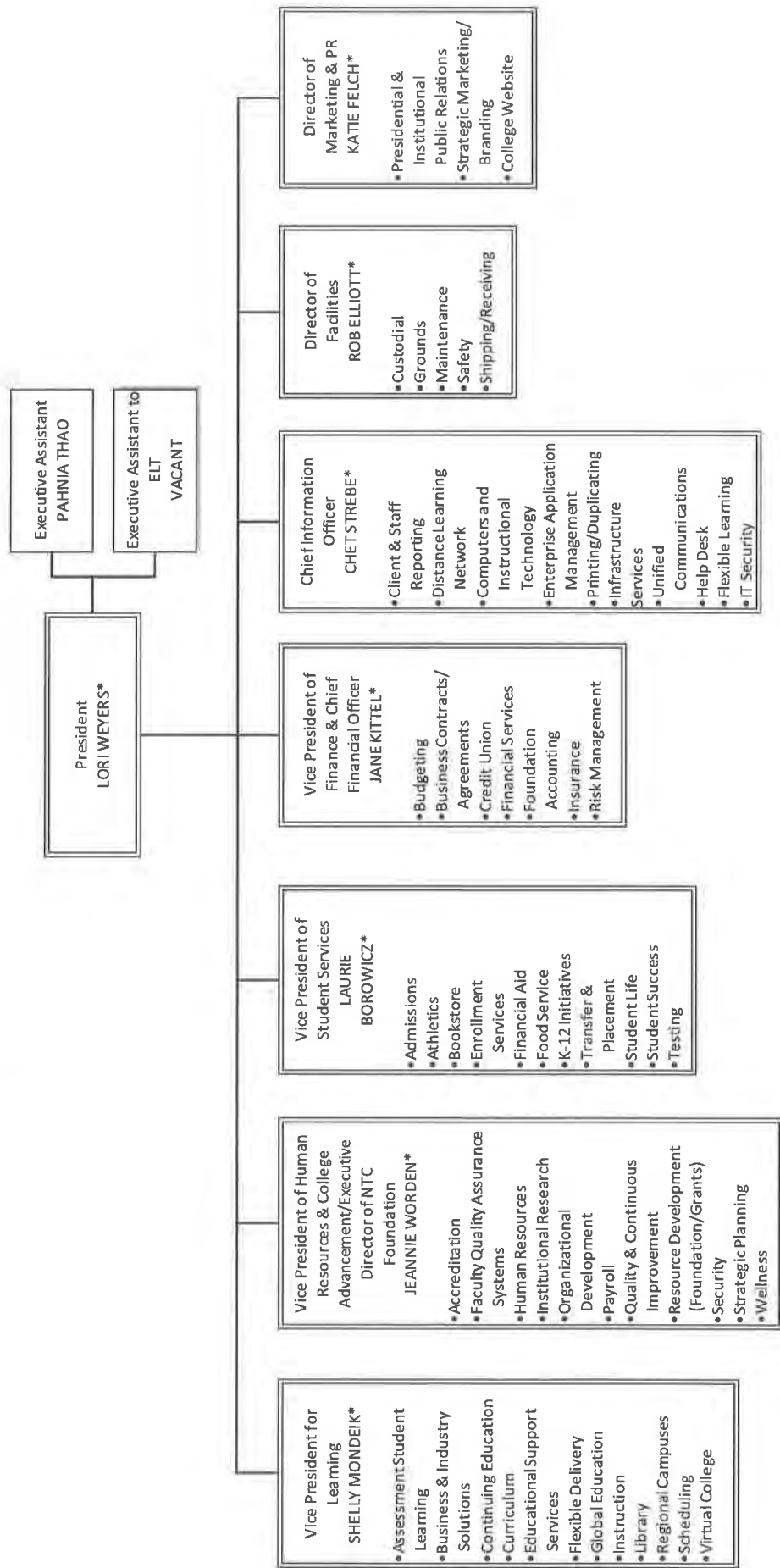
Board Members

June 30, 2015

<u>Member</u> <u>Board Member</u>	<u>Category</u>	<u>Term</u> <u>Expires</u>	<u>Employer</u>
Maria Volpe <i>Chairperson</i>	Employee Member	6/30/16	Corporate Trainer, Church Mutual Insurance Company
Tom Felch <i>Vice Chairperson</i>	Employer Member	6/30/17	President J&D Tube Benders, Inc.
Dr. Kristine Gilmore <i>Secretary/Treasurer</i>	School District Administrator	6/30/18	Superintendent, D.C. Everest Area School District
Douglas Faragher	Employer Member	6/30/16	President, Amron "A Division of AMTEC Corp."
Lee Lo	Additional Member	6/30/16	Administrator and Owner, Compassion Personal Home Care
Douglas Moquin	Additional Member	6/30/17	Consultant
Paul Proulx	Employer Member	6/30/17	Owner, Proulx's Professional Services
Ruth Risley-Gray	Employer Member	6/30/18	SVP System CNO, Aspirus
Dale Smith	Employee Member	6/30/18	Delivery Coordinator, Menard's Inc.

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

NORTHCENTRAL TECHNICAL COLLEGE ORGANIZATIONAL CHART

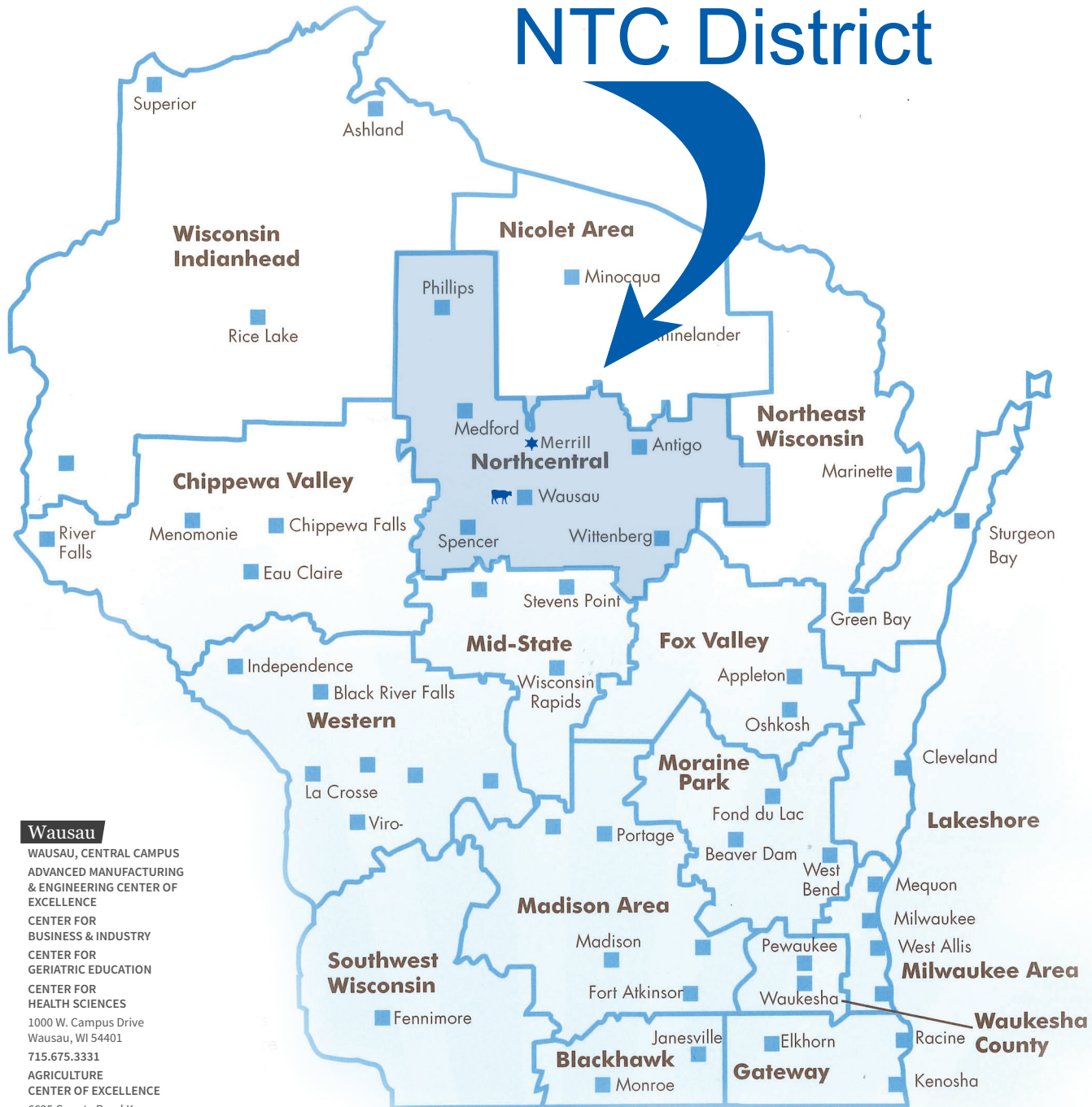


* The President's Executive Leadership Team (ELT)
08/21/2015



Northcentral
TECHNICAL COLLEGE

NTC District



Antigo

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

Medford

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

Merrill

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

Phillips

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

Spencer

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

Wausau

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CENTER FOR
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1000 W. Campus Drive
Wausau, WI 54401
715.675.3331
AGRICULTURE
CENTER OF EXCELLENCE
6625 County Road K
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715.675.3331

Wittenberg

WITTENBERG,
SOUTHEAST CAMPUS
402 N. Genesee Street, Suite 3
Wittenberg, WI 54499
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**Northcentral Technical College
District, Wisconsin**

**For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended**

June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Enns". The signature is written in a cursive, flowing style.

Executive Director/CEO

FINANCIAL SECTION

YEARS ENDED 2015 & 2014

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, 2015 and 2014, 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 an opinion 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 opinion.

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, 2015 and 2014, 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, in 2015 the District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. 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 15 through 24, the schedule of funding progress - other post-employment benefit plans and the schedules of employer's proportionate share of the net pension liability and employers contributions - Wisconsin Retirement System on pages 68 and 69 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. 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 accompanying schedules of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, and is also not a required part of the 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.

Supplementary Information (Continued)

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 and other 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Wipfli LLP

November 19, 2015
Rhineland, Wisconsin

Northcentral Technical College District

Management's Discussion and Analysis

Year Ended June 30, 2015

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 positions, and assists the reader of these financial statements in focusing on noteworthy financial issues for the year ended June 30, 2015.

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

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

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during the year. Activities performed by the College are classified as either operating or non-operating 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 non-operating 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:

	2015	Increase or (Decrease) %	2014	Increase or (Decrease) %	2013
Operating revenues:					
Student fees	\$5,173,622	(2.3)	\$5,295,342	7.3	\$4,935,589
Federal grants	11,282,402	(3.8)	11,727,859	(8.4)	12,805,849
State grants	4,926,646	78.9	2,753,170	7.8	2,552,875
Contract revenues	2,846,346	19.5	2,382,402	5.3	2,263,558
Auxiliary revenues	3,255,858	(8.8)	3,570,585	2.0	3,499,721
Miscellaneous	1,192,697	(9.3)	1,315,374	10.9	1,186,501
Total operating revenues	28,677,571	6.0	27,044,732	(0.7)	27,244,093
Nonoperating revenues:					
Property taxes	18,457,033	(40.6)	31,075,521	3.2	30,099,517
State appropriations	19,177,118	270.6	5,174,400	(2.7)	5,320,056
Investment income	75,530	(39.2)	124,243	54.8	80,276
Total nonoperating revenues	37,709,681	3.7	36,374,164	2.5	35,499,849
Total revenues	66,387,252	4.7	63,418,896	1.1	62,743,942
Operating expenses:					
Instruction	31,142,075	3.3	30,151,286	5.2	28,663,343
Instructional resources	1,673,428	12.9	1,482,282	53.1	968,416
Student services	4,191,157	1.5	4,129,864	(10.6)	4,618,620
General institutional	10,890,678	8.6	10,027,128	12.9	8,878,857
Physical plant	4,767,258	(3.3)	4,931,756	8.3	4,553,487
Auxiliary enterprise services	3,389,300	0.2	3,382,427	5.1	3,217,110
Public service		(100.0)	45,415		
Depreciation	6,234,479	(5.0)	6,562,946	32.9	4,938,861
Student aid	3,003,411	(16.0)	3,576,225	6.9	3,344,454
Total operating expenses	65,291,786	1.6	64,289,329	8.6	59,183,148
Nonoperating expenses:					
Interest expense*	454,482	(7.1)	489,114	20.7	405,118
Transfer of capital assets to Wausau Community Area Network	1,593,733				
Total nonoperating expenses	2,048,215	318.8	489,114	20.7	405,118
Total expenses	67,340,001	4.0	64,778,443	8.7	59,588,266
Increase (decrease) in net position	(952,749)	(41.1)	(1,359,547)	(41.1)	3,155,676
Net position - Beginning of the year	58,190,756		59,550,303		56,394,627
Cumulative effect of accounting change*	7,939,648				
Net position - End of the year	<u>\$65,177,655</u>		<u>\$58,190,756</u>		<u>\$59,550,303</u>

*The District implemented GASB 68.

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

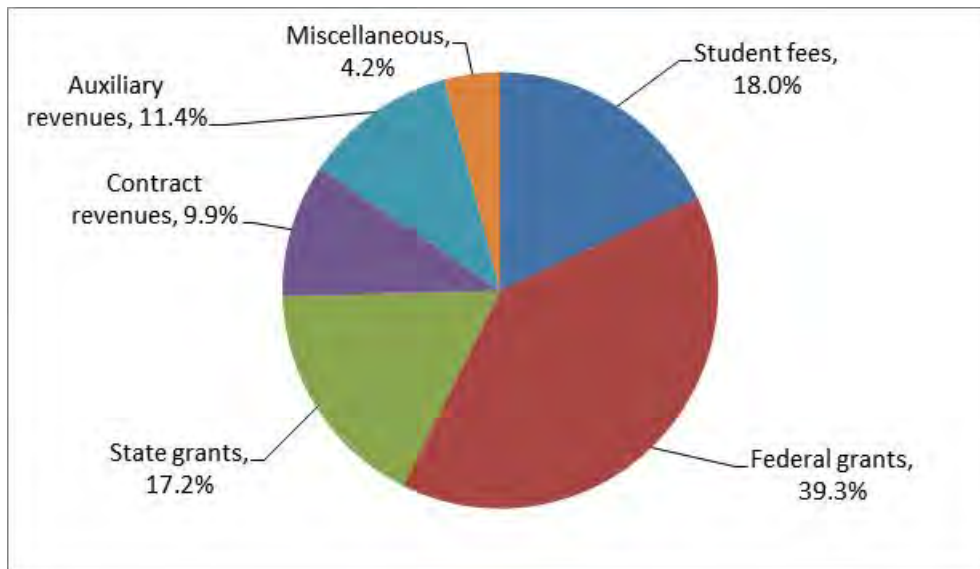
Some of the most noteworthy results of operations for the current year are reflected below:

Operating revenues are the charges for services offered by the College. During 2015, the College generated just under \$28.7 million of operating revenues for the offering of services, up 5.9% from 2014 (\$27.0 million), which was down 0.7% from 2013 (\$27.2 million). Significant items and revenue sources are as follows:

- Student fees are almost \$5.2 million in fiscal year 2014-2015. Total revenues from program, material, and other student fees was approximately \$11.7 million, down 2.2% before scholarship allowances.
- Nearly \$16.2 million in operating revenues from state and federal grants were earned by the District during the year, compared to \$14.5 million in 2014 and \$15.4 million in 2013. The fluctuation in federal revenue, a 3.8% reduction in 2015 was due to a 50% reduction in USAID grant dollars to support Scholarships for Education and Economic Development (SEED) students, and also a decrease in Pell grant dollars. The 8.4% decrease in 2014, was largely due to a US Department of Commerce grant for the Wausau Community Area Network (WCAN) ending in September 2013 and reductions in Pell grants. The 78% increase in state revenue in 2015 is due to a large acquisition of General Purpose Revenue (GPR) grants focusing on manufacturing, health, career pathways, and student support, as well as the new Blueprint for Prosperity grants supporting the areas of manufacturing, information technology, and health. The 7.8% increase in state revenue in 2014 was due to an increase in GPR grant revenue to further health care education, as well as increased revenue for Workforce Advancement Training (WAT) grants.
- Contract revenues were just over \$2.8 million for the year and represent revenues from instructional and technical assistance contracts with businesses and industries as well as local school districts. The 19.5% increase in contract revenues represents additional customized instruction and dual credit contracts over the prior year.
- Auxiliary enterprise revenues include revenues generated by the bookstore, food service, dental clinic, self-funded insurances, and other similar activities of the College. Revenues of just over \$3.2 million were generated by these activities this year, a decrease of 8.8% over the prior year.
- Miscellaneous revenue decreased 9.3% in 2015 to nearly \$1.2 million. The significant fluctuation in miscellaneous revenue from 2013 to 2014 was due to an increase in donation revenue which was received to fund capital projects such as the Advanced Manufacturing and Engineering (AME) Center of Excellence and the NTC Cadaver Lab. Fiscal year 2015 miscellaneous revenue is back to normal.

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

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

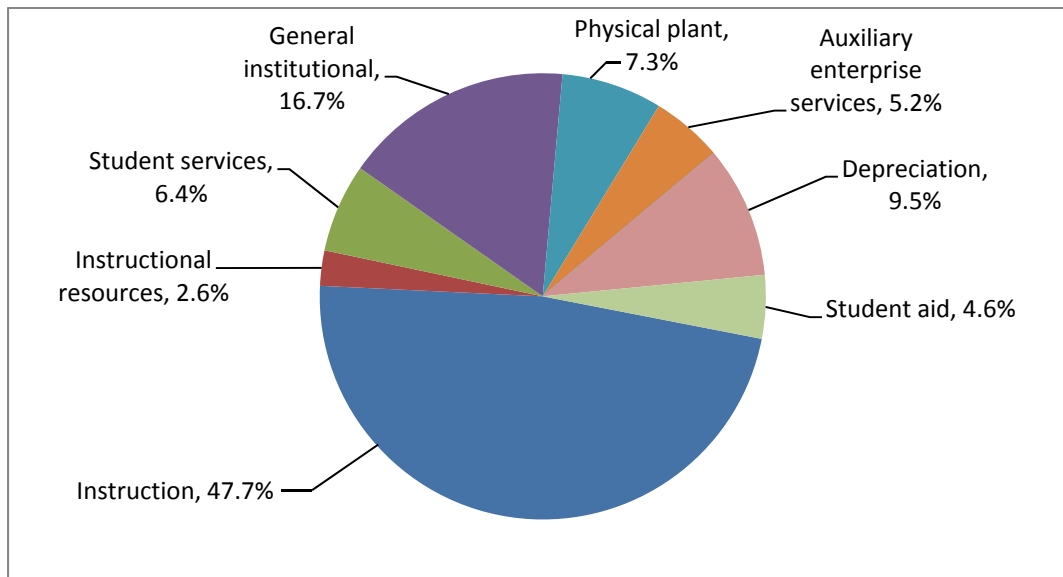


Operating expenses are costs related to offering the programs of the District. During 2015, operating expenses totaled over \$65 million, up from \$64 million in 2014. The majority of the District's expenses, about 63%, are for personnel related costs. Other major types of expenses include supplies and minor equipment (13%), depreciation (10%), and student aid (4%). Expenses such as travel, printing, advertising, repairs and maintenance, contracted services, rentals, insurance, utilities, and other expenses account for the remaining 10% of total operating expenses. (See Note 13 to the Financial Statements for details.)

- Salaries increased \$874,671 or 3% in 2015 and \$770,247 or 3% in 2014.
- Employee benefit expenses increased by \$1,219,714 or 11.3% in 2015 and increased \$671,780 or 6.6% in 2014.
- NTC is experiencing increased costs related to travel, memberships and subscriptions, supplies and minor equipment, repairs and maintenance, postage, printing and advertising, and rentals.
- NTC saw a decrease in costs related to contracted services, insurance, utilities, depreciation, student aid, and other items.
- Student financial aid awards (excluding student loans) decreased 4% in 2015, most of which was due to a decrease in grants available/awarded; student financial aid awards (excluding student loans) decreased 5% in 2014, also due to a decrease in grants available/awarded.

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

The graph below categorizes operating expenses by function.



Non-operating revenues and expenses are items not directly related to providing instruction. Net non-operating revenues for the year ended June 30, 2015, were approximately \$37.7 million. The most significant components of net non-operating revenues include the following:

- Property taxes levied by the District for the year were approximately \$18.4 million, a 40.6% or \$12,618,488 decrease from the prior fiscal year, due to a change in Wisconsin State Statutes providing a dollar for dollar reduction in property tax funding with an increase in state aid funding.
- State operating appropriations accounted for approximately \$19.2 million in revenues in 2015, up from \$5.2 million in 2014, which had decreased from \$5.3 million in 2013. NTC experienced a decrease in property taxes levied during 2015, which resulted in an increase in state appropriations. The year prior, NTC experienced a slight decrease in full time equivalents during 2014, which resulted in a decrease in state appropriations.
- There were no capital grants during the year and investment income was down 39.2%.
- Interest expense of \$454,482 was recorded by the District this year, down from \$489,114 in 2014, which was down from \$405,118 in 2013.
- Net position at June 30, 2015, was \$65,177,655 as a result of the above activity and the cumulative effect of accounting change for implementation of GASB 64 (See Note 14 to the Financial Statements on Page 67).

Statement of Cash Flows

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

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

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

	2015	<u>Increase or (Decrease)</u> %	2014	<u>Increase or (Decrease)</u> %	2013
Cash used in operating activities	(\$30,490,844)	2.4	(\$29,784,354)	5.0	(\$28,379,411)
Cash provided by noncapital financing activities	41,567,435	14.6	36,271,119	1.2	35,838,805
Cash used in capital and related financing activities	(8,137,834)	(10.1)	(9,054,483)	115.7	(4,197,523)
Cash provided by (used in) investing activities	5,605,734	(4689.4)	(122,144)	(173.4)	166,437
Net increase (decrease) in cash and cash equivalents	<u>\$8,544,491</u>		<u>(\$2,689,862)</u>		<u>\$3,428,308</u>

- The largest component of cash used in operating activities is typically payments to suppliers for the cost of doing business. Over \$28.6 million was paid in 2015, as compared to \$30.2 million in 2014, and \$26.6 million in 2013.
- Another significant component of operating cash flows was payments to employees. This cash outflow of \$29 million represents the costs of salaries/wages and benefits (\$27.5 million in 2014 and \$27.6 million in 2013).
- The largest cash inflows from operating activities included over \$5.1 million in student fees and almost \$15 million in state and federal grants, as compared to \$5.4 million and \$14.8 million, respectively in 2014, and \$4.8 million and \$14.5 million, respectively in 2013.
- All property taxes received, almost \$22.4 million this year, are categorized as cash flows from noncapital financing activities (\$31.1 million in 2014 and \$30.5 million in 2013). The other major item in this category is state appropriations, which accounted for \$19.2 million of positive cash flow (\$5.2 million in 2014 and \$5.3 million in 2013).
- Investment income is interest received on the District's investments.
- Overall, the District's cash had an increase of \$8,544,491 for the current fiscal year based primarily on a decrease in long-term investments to facilitate cash flow in the cyclical revenue environment changed by the timing of a decrease in property taxes swapped for an increase in state aid.

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:

	2015	Increase or (Decrease) %	2014	Increase or (Decrease) %	2013
Assets:					
Cash and cash equivalents, including restricted	\$33,789,454	33.85	\$25,244,963	(9.63)	\$27,934,825
Restricted investments		(100.00)	5,530,204	4.66	5,283,817
Net capital assets	59,367,949	2.41	57,971,749	8.61	53,374,329
Other assets	14,699,144	12.75	13,036,885	(5.68)	13,822,142
Total assets	\$107,856,547	5.97	\$101,783,801	1.36	\$100,415,113
Deferred outflows of resources - Related to pensions					
	\$3,652,908				
Liabilities:					
Current liabilities	\$12,717,382	4.24	\$12,200,390	1.50	\$12,020,418
Noncurrent liabilities	33,578,184	6.96	31,392,655	8.83	28,844,392
Total liabilities	\$46,295,566	6.20	\$43,593,045	6.68	\$40,864,810
Deferred inflows of resources - Pensions					
	\$36,234				
Net position:					
Net investment in capital assets	\$29,039,852	(2.38)	\$29,746,802	2.82	\$28,929,853
Restricted:					
Pension benefit	4,402,643	100.00			
Debt service	10,121,109	9.25	9,264,121	2.67	9,022,841
Unrestricted	21,614,051	12.69	19,179,833	(11.19)	21,597,609
Total net position	\$65,177,655	12.01	\$58,190,756	(2.28)	\$59,550,303

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, 2015, were approximately \$106.2 million and \$46.8 million, respectively. Capital assets at June 30, 2014, were \$101.6 million, with \$43.6 million accumulated depreciation and capital assets at June 30, 2013, were \$95.5 million, with accumulated depreciation of \$42.1 million.
- The other assets category is primarily made up of various accounts receivable balances, the largest being property taxes receivable of over \$5.5 million (\$9.4 million in 2014 and \$9.4 million in 2013).
- Current liabilities include accounts payable, various types of accruals, and the portion of long-term debt due within the next fiscal year. At year-end, the current portion of the District's long-term debt was just over \$8.1 million, as compared to \$7.7 million in 2014 and \$7.8 million in 2013.
- Noncurrent liabilities represent the portion of long-term debt due after fiscal year 2014-2015.

Capital Assets and Debt Administration

The District's investment in capital assets as of June 30, 2015, amounts to \$59,367,949 (net of accumulated depreciation). This includes land and land improvements, buildings and improvements, and moveable equipment.

Several facilities related projects at the Wausau, and regional campuses were completed during fiscal year 2014-2015. Approximately \$365,000 was spent on general maintenance projects such as concrete replacement, landscaping, and small remodeling projects, which included such things as ceiling tile replacement, drywall, carpeting, and painting. New marquee signage was installed at NTC's Medford and Spencer campuses at a cost of approximately \$55,000 and \$49,000, respectively. The installation of walkway canopies on the Wausau campus was fully completed at a total cost of \$624,000. \$154,000 was spent on a transformer replacement at the Wausau campus. The Spencer campus roof replacement was completed for \$31,000. Parking improvements costing \$130,000 were made at the Agriculture Center of Excellence. Parking lot improvements were also made at the Wausau campus for \$50,000. \$105,000 in landscaping was completed at the Merrill Public Safety Center of Excellence. This landscaping consisted of the planting of trees as a noise barrier for the EVOC (Emergency Vehicle Operator Course). Improvements were completed for approximately \$400,000 and instructional equipment purchased for \$20,000 for the Merrill Emergency Village, and an additional \$21,000 was spent on Donor Building A, used for training at the Merrill Public Safety Center of Excellence.

Capital Assets and Debt Administration (Continued)

A \$1,141,000 addition to the Phillips campus was completed, plus an additional \$37,000 was spent on furniture and equipment. Antigo campus renovations, which began in spring of 2014, were completed at a cost of \$256,000, with another \$119,000 spent on furniture and IT equipment as part of that project. Spencer campus restrooms were remodeled for \$38,000. Improvements were made at the Agriculture Center mobile classroom for \$28,000, including furniture. \$66,000 worth of leasehold improvements were made to the building that houses the Diesel Technology program and \$27,000 was invested in IT and distance learning equipment there, as well. A garage to house the motorcycles used for Motorcycle Safety courses was built on the Wausau campus for \$31,000. Several renovation projects were completed at the Wausau Campus. In the Technical and Trades Division, the projects completed include the Welding Lab renovation, needed to accommodate increased enrollment due to the needs of area employers, at a cost of \$1,200,000. As part of this project, an additional \$208,000 was spent on equipment. Remodeling of the H Building classrooms was completed for \$204,000, plus \$72,000 in distance learning equipment, and furniture. The F Building remodeling, which was in progress at the beginning of the fiscal year, was completed for \$725,000, plus \$65,000 in expenditures related to distance learning classroom equipment, and \$475,000 in other furniture and equipment. Instructional equipment for the Robotic Welding area which was renovated the prior fiscal year was purchased for \$214,000. Remodeling was done in the 2nd floor of the Center for Health Sciences for \$20,000 and approximately \$150,000 worth of furniture and equipment was purchased for the area. The A Building remodeling was completed at a cost of \$192,000, plus \$98,000 of IT and distance education equipment. This area houses the Business and General Studies Divisions. Additional projects completed in that area include approximately \$55,000 for the College Prep Center, which includes remodeling and furniture, \$43,000 for the Academic Resource Center, including furniture, and \$100,000 in renovation costs, plus an additional \$145,000 for IT equipment, and furniture, for the iTEC Lab, housed in the former Learning Center area. \$22,000 was spent on general furnishings for the College. There are several projects in progress at fiscal year-end, including the Machine Tool Addition, Building H Maintenance Upgrades, and site improvements at the Agriculture Center of Excellence. With safety and security of College students, staff, faculty, and administrators being an ongoing focus for the college, approximately \$175,000 was spent to add additional cameras and other security-related equipment this fiscal year. In addition, security camera installations were completed within the scope of several campus projects. About \$1,500,000 was spent on hardware, software, servers, consulting, and other IT-related items, and nearly \$540,000 was spent on additional HD Videoconferencing and Smart Classrooms throughout the district, not including expenditures for this type of equipment within specific projects. Approximately \$1,300,000 was spent on general instructional-related equipment and another \$1,125,000 was spent on instructional equipment for multiple areas, funded by various grants. Additional information on the District's capital assets can be found in Note 4 of the notes to the financial statements.

Capital Assets and Debt Administration (Continued)

At the end of the 2015 fiscal year, the District had a total general obligation debt outstanding of \$40,585,000. The District bonds have a Moody's Investors Service rating of Aa1 and the District met all of its debt service requirements. All general obligation debt for equipment, building and remodeling is repaid within five to ten years. The debt is secured by the full faith and credit of the unlimited taxing powers of the Districts. The current debt adequately replaces and expands the equipment and facility needs of the Districts. Additional information on the District's long-term debt can be found in Note 5 of the notes to the financial statements.

Financial Position

In May 2005, the District's bond rating assigned by Moody's Investors Service was upgraded from Aa3 to Aa2 on total outstanding debt. In May 2006 through May 2009 this Aa2 rating was reaffirmed. In May 2010, this rating was re-calibrated by Moody's Investors Service to Aa1. This Aa1 rating was reaffirmed in May 2014. 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 and an operational mill rate below the maximum allowed per Statute, the District is poised to continue to obtain the resources to adequately finance normal enrollment over the next decade.

Economic Factors

In the past year, Wisconsin has seen a slight increase in local unemployment rates, with all 72 counties seeing a decrease from July 2015 to August 2015. Wisconsin's unemployment rate for August 2015 was 4.5%, lower than the national unemployment rate of 5.1% in August and the state's rate of 5.3% in August 2014.

Two of the ten counties in the NTC District are experiencing unemployment rates at or above the state rate. In addition, Menominee County is experiencing the highest rate in the state at 10.7%. Unemployment rates did improve in all ten counties from July to August 2015.

NTC's challenge moving forward is to reallocate existing resources in order to support emerging dislocated worker education needs and support local economic growth.

Basic Financial Statements

Northcentral Technical College District

Statements of Net Position

June 30, 2015 and 2014

<i>Assets and Deferred Outflows of Resources</i>	2015	2014
Current assets:		
Cash and cash equivalents	\$12,220,105	\$12,876,761
Property taxes receivable	5,508,878	9,415,124
Accounts and other receivables	4,122,231	2,908,599
Inventories	525,954	607,655
Prepaid expenses	103,204	105,507
Total current assets	22,480,372	25,913,646
Noncurrent assets:		
Restricted cash and cash equivalents	21,569,349	12,368,202
Restricted investments		5,530,204
Net pension asset	4,438,877	
Capital assets not being depreciated	1,462,232	4,917,066
Capital assets being depreciated	104,702,832	96,665,206
Less - Accumulated depreciation	(46,797,115)	(43,610,523)
Total noncurrent assets	85,376,175	75,870,155
Deferred outflows of resources - Related to pensions	3,652,908	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$111,509,455	\$101,783,801
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>		
Current liabilities:		
Accounts payable	\$2,612,081	\$2,313,359
Accrued liabilities:		
Payroll, payroll taxes, and insurance	819,733	738,231
Interest	189,017	196,105
Due to student and other organizations	289,965	589,187
Unearned revenue	671,586	679,469
Current portion of long-term obligations	8,135,000	7,684,039
Total current liabilities	12,717,382	12,200,390
Noncurrent liabilities:		
Notes payable	33,125,454	31,192,005
Accrued compensated absences	25,173	15,740
Net other post-employment benefit obligation	427,557	184,910
Total noncurrent liabilities	33,578,184	31,392,655
Total liabilities	46,295,566	43,593,045
Deferred inflows of resources - Related to pensions	36,234	
Net position:		
Net investment in capital assets	29,039,852	29,746,802
Restricted:		
Pension benefit	4,402,643	
Debt service	10,121,109	9,264,121
Unrestricted	21,614,051	19,179,833
Total net position	65,177,655	58,190,756
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$111,509,455	\$101,783,801

See accompanying notes to financial statements.

Northcentral Technical College District

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2015 and 2014

	2015	2014
Operating revenues:		
Student program fees, net of scholarship allowances of \$5,845,143 and \$5,962,955, respectively	\$4,485,648	\$4,774,640
Student material fees, net of scholarship allowances of \$276,139 and \$282,527, respectively	347,126	358,249
Other student fees, net of scholarship allowances of \$433,065 and \$452,859, respectively	340,848	162,453
Federal grants	11,282,402	11,727,859
State grants	4,926,646	2,753,170
Business and industry contract revenues	2,210,023	1,727,342
School district contract revenues	636,323	655,060
Auxiliary enterprise revenues	3,255,858	3,570,585
Miscellaneous	1,192,697	1,315,374
Total operating revenues	28,677,571	27,044,732
Operating expenses:		
Instruction	31,142,075	30,151,286
Instructional resources	1,673,428	1,482,282
Student services	4,191,157	4,099,477
General institutional	10,890,678	10,027,128
Physical plant	4,767,258	4,931,756
Auxiliary enterprise services	3,389,300	3,382,427
Public service		45,415
Depreciation	6,234,479	6,562,946
Student aid	3,003,411	3,606,612
Total operating expenses	65,291,786	64,289,329
Operating loss	(36,614,215)	(37,244,597)
Non-operating revenues (expenses):		
Property taxes	18,457,033	31,075,521
State operating appropriations	19,177,118	5,174,400
Investment income earned	75,530	124,243
Interest expense	(454,482)	(489,114)
Transfer of capital assets to Wausau Community Area Network	(1,593,733)	
Net non-operating revenues (expenses)	35,661,466	35,885,050
Change in net position	(952,749)	(1,359,547)
Net position at beginning of year, as previously reported	58,190,756	59,550,303
Cumulative effect of accounting change	7,939,648	
Net position at end of year	\$65,177,655	\$58,190,756

Northcentral Technical College District

Statements of Cash Flows

Years Ended June 30, 2015 and 2014

	2015	2014
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Tuition and fees received	\$5,119,643	\$5,416,417
Federal and state grants received	15,122,698	14,791,286
Business, industry, and school district contract revenues received	2,714,444	2,842,209
Payments to employees	(29,022,060)	(27,478,745)
Payments to suppliers	(28,598,580)	(30,245,898)
Auxiliary enterprise revenues received	3,306,574	3,625,994
Other receipts	893,475	1,264,383
Net cash used in operating activities	(30,463,806)	(29,784,354)
Cash flows from noncapital financing activities:		
Local property taxes received	22,363,279	31,096,719
State appropriations received	19,177,118	5,174,400
Net cash provided by noncapital financing activities	41,540,397	36,271,119
Cash flows from capital and related financing activities:		
Purchases of capital assets	(10,064,708)	(10,798,764)
Proceeds from issuance of capital debt	10,196,935	10,166,339
Principal paid on capital debt	(7,680,000)	(7,854,772)
Interest paid on capital debt	(590,061)	(567,286)
Net cash used in capital and related financing activities	(8,137,834)	(9,054,483)
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	5,732,405	2,114,918
Purchases of investments		(2,376,576)
Change in investment income	(126,671)	139,514
Net cash provided by (used in) investing activities	5,605,734	(122,144)
Net increase (decrease) in cash and cash equivalents	8,544,491	(2,689,862)
Cash and cash equivalents at beginning of year	25,244,963	27,934,825
Cash and cash equivalents at end of year	\$33,789,454	\$25,244,963

Northcentral Technical College District

Statements of Cash Flows (Continued)

Years Ended June 30, 2015 and 2014

	2015	2014
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	(\$36,614,215)	(\$37,244,597)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	6,234,479	6,562,946
Changes in operating assets and liabilities:		
Accounts and other receivables	(1,213,632)	973,992
Inventories	81,701	(202,776)
Prepaid items	2,303	(7,157)
Accounts payable	1,139,018	(25,725)
Accrued expenses	86,896	62,135
Due to student and other organizations	(299,222)	(50,991)
Unearned revenue	(7,883)	(27,444)
Net pension changes	(115,898)	
Post-employment benefits	242,647	175,263
Net cash used in operating activities	(\$30,463,806)	(\$29,784,354)
Noncash investing, capital, and financing activities:		
Purchase of capital assets in accounts payable	\$64,935	\$905,231
Increase in fair value of investments		18,409

Northcentral Technical College District

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Introduction

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

Reporting Entity

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

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

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

Northcentral Technical College District

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Reporting Entity (Continued)

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.

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; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This report does not contain any component units.

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

Northcentral Technical College District

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies**

Measurement Focus and Basis of Accounting

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

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

Use of Estimates

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

Northcentral Technical College District

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Deposits and Investments

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

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

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

Receivables

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

Northcentral Technical College District

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Inventories and Prepaid Expenses

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

Capital Assets

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

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

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

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

Northcentral Technical College District

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Capital Assets (Continued)

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

Long-Term Obligations

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

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

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

Northcentral Technical College District

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts (Continued)

Sick Leave - Faculty and middle leaders with 15 years of service that retire on or before June 30, 2015, will receive a lump-sum payment of 60% of one-half of their accumulated sick leave, up to a maximum of 25 days, at their daily contractual rate in effect during the year of retirement, provided that they notified the District by June 15, 2015. Teamsters with 15 years of service that retire at age 60 will receive a lump sum payment of accumulated sick leave days up to a maximum of 30 days at their daily rate at retirement. This liability has been fully accrued and will decrease annually as individuals retire.

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

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

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

Northcentral Technical College District

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Property Tax Levy

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

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

The District Board is limited by state law that the operational tax levy cannot exceed a rate of \$1.50 per \$1,000 of the full equalized value of taxable property within the area served by the District for the purposes of making capital improvements, acquiring equipment, operating, and maintaining schools. The mill rate limitation is not applicable to taxes levied for the purpose of paying principal and interest on general obligation notes payable issued by the District. For the years ended June 30, 2015 and 2014, the District levied at the following mill rate:

	2015	2014
Operating purposes	\$0.61425	\$1.49828
Debt service requirements	0.59968	0.58139
Totals	\$1.21393	\$2.07967

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 deferred revenue.

Tuition and Fees

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

Scholarship Allowances and Student Financial Aid

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

Northcentral Technical College District

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Classification of Revenues and Expenses

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

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

Nonoperating revenues/expenses - Nonoperating revenues and expenses include activities that have the characteristics of nonexchange transactions. Nonoperating revenues are classified as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* and GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*. These revenues include gifts and contributions and other revenue sources such as state appropriations, the local property tax levy, investment income, and any grants and contracts not classified as operating revenue or restricted by the grantor to be used exclusively for capital programs. Nonoperating expenses include interest on long-term obligation and losses on the disposal of capital assets.

Northcentral Technical College District

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. 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 asset.

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

New Accounting Pronouncements

Management adopted the provisions of the Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. This statement establishes new requirements for the District to report a "net pension asset" for the overfunded portion of its pension plan and deferred outflows of resources and deferred inflows of resources related to pension plans. See Note 14 for the restatement of the beginning net position.

Subsequent Events

Subsequent events have been evaluated through November 19, 2015, 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

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, 2015, \$13,484,254 of the District's bank balance of \$14,502,159 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

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 District's distribution of investments by maturity as of June 30, 2015 and 2014, were as follows:

	Fair Value	2015			
		Remaining Maturity (in Years)			
		0-1	1-5	5-10	More Than 10
Wisconsin Local Government Investment Pool	\$19,557,514	\$19,557,514	\$0	\$0	\$0
	Fair Value	2014			
		Remaining Maturity (in Years)			
		0-1	1-5	5-10	More Than 10
U.S. Treasury notes	\$1,752,882	\$71,209	\$1,681,673	\$0	\$0
U.S. Government agencies	734,479	185,472	386,776		162,231
Corporate bonds	2,119,542	171,973	1,604,684		342,885
Asset-backed securities	614,761		549,604	65,157	
Municipal bonds	257,369	70,068	187,301		
International municipal bonds	51,173	51,173			
Money market fund	177,308	177,308			
Wisconsin Local Government Investment Pool	6,895,154	6,895,154			
Totals	\$12,602,668	\$7,622,357	\$4,410,038	\$65,157	\$505,116

Northcentral Technical College District

Notes to Financial Statements

Note 2 Cash and Investments (Continued)

Investments (Continued)

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.

The actual ratings, as rated by Moody's Investors Service, for each investment type at June 30, 2015 and 2014, were as follows:

	2015				
	Rating				
	Exempt From Rating	AAA	AA	A	Not Rated
Wisconsin Local Government Investment Pool	\$0	\$0	\$0	\$0	\$19,557,514

	2014				
	Rating				
	Exempt From Rating	AAA	AA	A	Not Rated
U.S. Treasury notes	\$1,752,882		\$0	\$0	\$0
U.S. Government agencies		734,478			
Corporate bonds		450,008	1,261,655	407,879	
Asset-backed securities		559,321	55,440		
Municipal bonds			257,368		
International municipal bonds			51,173		
Money market fund					177,308
Wisconsin Local Government Investment Pool					6,895,154
Totals	\$1,752,882	\$1,743,807	\$1,625,636	\$407,879	\$7,072,462

Northcentral Technical College District

Notes to Financial Statements

Note 2 Cash and Investments (Continued)

Investments (Continued)

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, 2015 and 2014, the District had no investments in any one issuer (excluding U.S. Treasury securities, money market funds, and external investment pool) that represent 5% or more of the total District investments.

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

Cash and investments consisted of the following at June 30:

	2015	2014
Cash on deposit with financial institutions Wisconsin Local Government	\$14,222,161	\$18,162,862
Investment Pool	19,557,514	6,895,154
Investment - Money market fund		177,308
Cash on hand	9,779	9,638
Total cash and cash equivalents	33,789,454	25,244,962
Remaining investments		5,530,204
Total cash and investments	\$33,789,454	\$30,775,166

Northcentral Technical College District

Notes to Financial Statements

Note 2 Cash and Investments (Continued)

Investments (Continued)

The District has invested funds in the Wisconsin Local Government Investment Pool (LGIP). The LGIP is an investment pool managed by the State of Wisconsin Investment Board which allows governments within the state to pool their funds for investment purposes. The LGIP is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2(a)7 of the Investment Company Act of 1940. Investments in the LGIP are valued at fair value.

Cash and investments are classified as follows on June 30:

	2015	2014
Restricted for:		
Debt service	\$10,310,126	\$9,460,225
Capital projects	11,259,223	8,438,181
Total restricted	21,569,349	17,898,406
Unrestricted	12,220,105	12,876,760
Total cash and investments	\$33,789,454	\$30,775,166

Note 3 Accounts and Other Receivables

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

	2015	2014
Federal and state grants	\$2,688,681	\$1,602,331
Student tuition and fees	836,832	790,736
Business and industry contracts	215,457	130,158
NTC Foundation, Inc.	35,379	54,172
Bookstore sales	62,092	112,808
Health claim stop-loss	87,131	59,200
Other	196,659	159,194
Total	\$4,122,231	\$2,908,599

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:

	2015			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$915,968	\$0	\$0	\$915,968
Construction in progress	4,001,098	546,264	4,001,098	546,264
Total capital assets not being depreciated	4,917,066	546,264	4,001,098	1,462,232
Capital assets being depreciated:				
Site improvements	9,789,891	648,347		10,438,238
Buildings and building improvements	50,877,240	4,472,581		55,349,821
Furniture and equipment	27,679,410	6,485,174	1,019,021	33,145,563
Vehicles	21,758		21,758	
Computer software	6,602,729	1,073,144	1,906,663	5,769,210
Broadband infrastructure	1,694,178		1,694,178	
Total capital assets being depreciated	96,665,206	12,679,246	4,641,620	104,702,832
Less accumulated depreciation for:				
Site improvements	4,046,740	674,271		4,721,011
Buildings and building improvements	15,824,917	1,559,350		17,384,267
Furniture and equipment	19,887,557	2,763,125	1,019,019	21,631,663
Vehicles	20,308	1,451	21,759	
Computer software	3,780,778	1,186,059	1,906,663	3,060,174
Broadband infrastructure	50,223	50,223	100,446	
Total accumulated depreciation	43,610,523	6,234,479	3,047,887	46,797,115
Net capital assets	57,971,749	\$6,991,031	\$5,594,831	59,367,949
Less outstanding debt related to capital assets, including premium	(38,872,005)			(41,260,454)
Plus capital projects funds borrowed but not spent	10,647,058			10,932,357
Net assets invested in capital assets	\$29,746,802			\$29,039,852

Northcentral Technical College District

Notes to Financial Statements

Note 4 Capital Assets (Continued)

	2014			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$915,968	\$0	\$0	\$915,968
Construction in progress	2,404,647	4,001,099	2,404,648	4,001,098
Total capital assets not being depreciated	3,320,615	4,001,099	2,404,648	4,917,066
Capital assets being depreciated:				
Site improvements	9,147,029	642,862		9,789,891
Buildings and building improvements	48,931,635	1,945,605		50,877,240
Furniture and equipment	27,914,362	4,316,776	4,551,728	27,679,410
Vehicles	44,135		22,377	21,758
Computer software	6,147,386	964,494	509,151	6,602,729
Broadband infrastructure		1,694,178		1,694,178
Total capital assets being depreciated	92,184,547	9,563,915	5,083,256	96,665,206
Less accumulated depreciation for:				
Site improvements	3,415,509	631,231		4,046,740
Buildings and building improvements	14,466,930	1,357,987		15,824,917
Furniture and equipment	21,095,174	3,344,151	4,551,768	19,887,557
Vehicles	36,252	6,393	22,337	20,308
Computer software	3,116,968	1,172,961	509,151	3,780,778
Broadband infrastructure		50,223		50,223
Total accumulated depreciation	42,130,833	6,562,946	5,083,256	43,610,523
Net capital assets	53,374,329	<u>\$7,002,068</u>	<u>\$2,404,648</u>	57,971,749
Less outstanding debt related to capital assets, including premium	(36,673,776)			(38,872,005)
Plus capital projects funds borrowed but not spent	12,229,300			10,647,058
Net assets invested in capital assets	<u>\$28,929,853</u>			<u>\$29,746,802</u>

Northcentral Technical College District

Notes to Financial Statements

Note 5 Long-Term Obligations

Long-term liability activity for the years ended June 30, 2015 and 2014, was as follows:

	Balance 7/1/2014	Additions	Reductions	Balance 6/30/2015	Amounts Due Within One Year
General obligation notes	\$38,265,000	\$10,000,000	\$7,680,000	\$40,585,000	\$8,135,000
Plus deferred premium	607,005	207,935	139,486	675,454	
Compensated absences	19,779	25,173	19,779	25,173	
Totals	\$38,891,784	\$10,233,108	\$7,839,265	\$41,285,627	\$8,135,000

	Balance 7/1/2013	Additions	Reductions	Balance 6/30/2014	Amounts Due Within One Year
General obligation notes	\$36,115,000	\$10,000,000	\$7,850,000	\$38,265,000	\$7,680,000
Plus deferred premium	554,005	166,339	113,339	607,005	
Compensated absences	19,779			19,779	4,039
Capital leases	4,772		4,772		
Totals	\$36,693,556	\$10,166,339	\$7,968,111	\$38,891,784	\$7,684,039

Northcentral Technical College District

Notes to Financial Statements

Note 5 Long-Term Obligations (Continued)

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, 2015 and 2014, is comprised of the following individual issues:

	2015	2014
June 15, 2009, promissory note with original amount of \$7,300,000 issued to Robert W. Baird & Co., to remodel buildings and to acquire and replace equipment, with interest at 2% to 2.25%. Principal due annually on September 1, with final maturity on September 1, 2014.	\$0	\$1,460,000
June 10, 2010, promissory note with original amount of \$8,000,000 issued to Marshall & Ilsley Bank, to remodel buildings and to acquire and replace equipment, with interest at 1.5% to 2.25%. Principal due annually on September 1, with final maturity on September 1, 2015.	1,600,000	3,200,000
June 8, 2011, promissory note with original amount of \$8,200,000 issued to Marshall & Ilsley Bank, to remodel buildings and to acquire and replace equipment, with interest at 1.5% to 2.25%. Principal due annually on September 1, with final maturity on September 1, 2016.	3,280,000	4,920,000
June 11, 2012, promissory note with original amount of \$8,355,000 issued to KeyBanc Capital Markets, to remodel buildings and to acquire and replace equipment, with interest at 1% to 2%. Principal due annually on September 1, with final maturity on September 1, 2017.	5,015,000	6,685,000

Northcentral Technical College District

Notes to Financial Statements

Note 5 Long-Term Obligations (Continued)

General Obligation Debt (Continued)

	2015	2014
June 11, 2013, promissory note with original amount of \$12,000,000 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 with September 1, 2014, with final maturity on September 1, 2022.	\$10,690,000	\$12,000,000
June 2, 2014, promissory note with original amount of \$10,000,000 issued by Raymond James & Associates, Inc., for construction on the Medford campus, remodel buildings and to acquire and replace equipment, with interest at 1% to 1.5%. Principal due annually on September 1, beginning with September 1, 2015, with final maturity on September 1, 2019.	10,000,000	10,000,000
June 1, 2015, promissory note with original amount of \$10,000,000 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 on September 1, 2020.	10,000,000	
Total general obligation notes	\$40,585,000	\$38,265,000

Northcentral Technical College District

Notes to Financial Statements

Note 5 Long-Term Obligations (Continued)

General Obligation Debt (Continued)

The District has the power to incur indebtedness for certain purposes specified by Section 67.03(1)(a), Wisconsin Statutes in an aggregate amount, not exceeding 5% of the equalized value of the taxable property within the District, as last determined by the Wisconsin Department of Revenue. The 5% limit for the year ended June 30, 2015, was \$791,190,524 and the District's outstanding general obligation debt of \$40,585,000, net of resources available of \$10,121,109 to pay principal, was \$30,463,891. The 5% limit for the year ended June 30, 2014, was \$777,917,097 and the District's outstanding general obligation debt of \$38,265,000, net of resources available of \$9,264,120 to pay principal, was \$29,000,880.

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 \$316,476,209 and \$311,166,839 at June 30, 2015 and 2014, respectively. The District had no outstanding bonded indebtedness as of June 30, 2015 and 2014.

Aggregate cash flow requirements for the retirement of long-term principal and interest on general obligation debt as of June 30, 2015, follows:

Year Ended June 30,	Principal	Interest	Totals
2016	\$8,135,000	\$821,944	\$8,956,944
2017	8,410,000	780,200	9,190,200
2018	6,885,000	584,775	7,469,775
2019	5,315,000	409,888	5,724,888
2020	5,435,000	256,075	5,691,075
2021-2023	6,405,000	188,981	6,593,981
Totals	\$40,585,000	\$3,041,863	\$43,626,863

Northcentral Technical College District

Notes to Financial Statements

Note 6 Leases, as Lessee

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

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

2016	\$279,849
2017	256,531
2018	258,547
2019	260,599
2020	184,761
<hr/>	
Total minimum lease payments	\$1,240,287

Rental expense for all operating leases for the years ended June 30, 2015 and 2014, were \$434,144 and \$256,119, respectively.

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

Plan Description - The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, 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.

Northcentral Technical College District

Notes to Financial Statements

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

Vesting – For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided – Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

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

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

The WRS also provides death and disability benefits for employees.

Northcentral Technical College District

Notes to Financial Statements

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

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7.0%
2006	0.8%	3.0%
2007	3.0%	10.0%
2008	6.6%	0.0%
2009	(2.1%)	(42.0%)
2010	(1.3%)	22.0%
2011	(1.2%)	11.0%
2012	(7.0%)	(7.0%)
2013	(9.6%)	9.0%
2014	4.7%	25.0%

Northcentral Technical College District

Notes to Financial Statements

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

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$441,930 in contributions from the employer.

	2015		2014	
	Employee	Employer	Employee	Employer
General (including teachers)	6.80%	6.80%	7.00%	7.00%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the District reported an asset of \$4,438,877 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013, rolled forward to December 31, 2014. 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 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, 2014, the District's proportion was 0.0448%, which was an increase of 0.001% from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$1,765,923.

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) - At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$643,499	\$0
Net differences between projected and actual earnings on pension plan investments	2,149,519	
Changes in proportion and differences between employer contributions and proportionate share of contributions		(36,234)
Employer contributions subsequent to the measurement date	859,890	
Total	\$3,652,908	(\$36,234)

\$859,890 reported as deferred outflows of resources related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$684,090	\$8,261
2017	684,090	8,261
2018	684,090	8,261
2019	684,090	8,261
2020	56,659	3,190

Northcentral Technical College District

Notes to Financial Statements

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

Actuarial Assumptions - The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method	Entry Age
Asset Valuation Method	Fair Market Value
Long-Term Expected Rate of Return	7.2%
Discount Rate	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014, is based upon a roll-forward of the liability calculated from the December 31, 2013, actuarial valuation.

Northcentral Technical College District

Notes to Financial Statements

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

Actuarial Assumptions (Continued) - Long-term Expected Return on Plan Assets: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7%	23%
Fixed Income	1.7%	36%
Inflation Sensitive Assets	2.3%	20%
Real Estate	4.2%	7%
Private Equity/Debt	6.9%	7%
Multi-Asset	3.9%	6%
Cash	0.9%	(20%)

Single Discount Rate: A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Northcentral Technical College District

Notes to Financial Statements

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

Actuarial Assumptions (Continued) - Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage point higher (8.20%) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
The District's proportionate share of the net pension liability (asset)	\$12,522,836	(\$4,438,877)	(\$17,834,552)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

Note 8 Other Post-Employment Benefits

The District administers a single-employer defined benefit health care plan. The plan provides medical insurance benefits to eligible retirees and their spouses through the District's group medical insurance plan, which covers both active and retired members. Benefit provisions are established through collective bargaining agreements. The eligibility requirements are based on the retiree's position, years of service, and age at retirement. The plan does not issue a standalone report.

- 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 Post-Employment Benefits (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.
- For employees retiring on or after July 1, 2012, who are at least 62 years old with at least 15 years of service are covered until eligible for Medicare benefits. The District will make medical insurance premium (single or family for faculty and single for other retirees) contributions as is made for active employees. Retirees subject to the single premium contribution will be responsible for the difference between the single and family premium amounts.

Northcentral Technical College District

Notes to Financial Statements

Note 8 Other Post-Employment Benefits (Continued)

The District's annual other post-employment benefits (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined based on the ARC and an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or fund excess) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Annual required contribution	\$572,975
Interest on net OPEB obligation	9,246
Adjustment of annual required contribution	(12,031)
Annual OPEB cost	570,190
Contributions made	(327,543)
Decrease in net OPEB obligation	242,647
Net OPEB obligation - Beginning of year	184,910
Net OPEB obligation - End of year	\$427,557

The District's annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for June 30, 2015, and the preceding two years, is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2015	\$570,190	57.4%	\$427,557
6/30/2014	\$572,830	69.4%	\$184,912
6/30/2013	\$476,077	61.5%	(\$169,997)

Northcentral Technical College District

Notes to Financial Statements

Note 8 Other Post-Employment Benefits (Continued)

The funded status as of July 1, 2013, the most recent actuarial valuation date, was 0% funded. The actuarial accrued liability for benefits was \$6,720,458 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,720,458. For fiscal year 2014, the covered payroll was \$18,101,588, and the ratio of the UAAL to the covered payroll was 37.1%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care costs trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress - other post-employment benefit plans, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility and actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 5% rate of return (net of administrative expenses), based on the plan being funded in an irrevocable employee benefit trust invested in a long-term fixed income portfolio, and an annual health care cost trend rate of 7.5% initially, reduced by decrements to an ultimate rate of 5% after 17 years. Both rates include a 3% inflation assumption. The actuarial assumptions include a salary increase of 3.8% to 6.6% per year based on service.. The actuarial value of the plan assets was not determined because there were no plan assets as of the date of the actuarial valuation. The plan's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2014, was 30 years.

Northcentral Technical College District

Notes to Financial Statements

Note 9 Risk Management

Districts Mutual Insurance Company (DMI)

In July 2004, all 16 WTCS technical colleges created the Districts Mutual Insurance Company (DMI). Districts Mutual Insurance Company is a fully-assessable mutual company authorized under Wisconsin Statute 611 to provide property, casualty, and liability insurance and risk management services to its members. The scope of insurance protection provided by DMI is broad, covering property at \$400,225,000 per occurrence; equipment at \$100,000,000 per occurrence; general liability, auto, and educators legal liability at \$5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

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

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 2015 and 2014. For the year ended June 30, 2015, the District paid a premium of \$304,601. 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 DMI for its participating members:

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

The scope of settled claims has not exceeded the coverage limits in any of the past three fiscal years. There was no significant reduction in the District's insurance coverage in fiscal 2015.

Self-Funded Health and Vision Insurance

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

Northcentral Technical College District

Notes to Financial Statements

Note 9 Risk Management (Continued)

Self-Funded Health and Vision Insurance (Continued)

The District establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. The estimate was provided by management. At June 30, 2015, the amount of these liabilities was \$784,860. The following represents changes in those liabilities for the District during the past two years:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes In Estimates	Claim Payments	Balance at Fiscal Year-End
2013-14	\$349,009	\$5,204,747	\$5,084,107	\$469,649
2014-15	\$469,649	\$5,854,840	\$5,539,629	\$784,860

Note 10 Construction and Other Significant Commitments

Construction Commitments

The District has a few active construction projects, as well as commitments to contractors and vendors to construct or purchase assets in the subsequent year, as of June 30, 2015. The construction projects in progress are the Wausau Machine Tool Lab Addition, Merrill Emergency Village Cafe Building, and Agricultural Center Site Improvements, as well as some smaller remodeling projects. Also, orders were placed for videoconferencing classroom equipment and installation, furniture for various projects, server and other IT-related items, and instructional equipment needed for the start of the fall semester. These orders were initially placed prior to June 30, 2015, due to delivery and installation lead time requirements. Future commitments include remodeling of the Wausau Campus Graphics Lab, the Addition of a Student Engagement Center, Wausau Campus Building H Roof Replacement, the purchase of the site to house the NTC Wittenberg Campus, as well as various maintenance and remodeling projects at the Wausau and regional campuses.

Northcentral Technical College District

Notes to Financial Statements

Note 10 Construction and Other Significant Commitments (Continued)

Construction Commitments (Continued)

At year-end, the District's commitments with contractors, including change orders through the date of this report, are as follows:

Project	Spent Through June 30, 2015	Remaining Commitment
Machine Tool Lab Addition	\$232,382	\$255,742
Building H Maintenance Upgrade	23,673	132,076
Smart Classroom		191,712
IVC Classrooms		144,593

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

Other Significant Commitments

The District has a non-cancellable telecommunication service agreement for network services. Payments are monthly and vary by location. The length of the agreements also varies by location with a minimum period of five years. The final contract's term will end in November 2018. Total expense for the year ended June 30, 2015, was \$48,300. As of June 30, 2015, the District was committed to make payments of \$60,975.

The District has a non-cancellable maintenance agreement for support services related to information technology. Payments of \$67,860 are due monthly with the agreement set to expire June 2016. The remaining commitment to make payments for this agreement at June 30, 2015, was \$814,320.

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:

	2015		2014	
	Total WISPALS	NTC's Share	Total WISPALS	NTC's Share
Total assets	\$109,755	\$12,195	\$53,396	\$5,933
Total liabilities	109,755	12,195	53,396	5,933
Total net position				
Total revenues	684,814	76,090	591,936	65,771
Total expenses	684,066	76,007	588,449	65,383

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

On March 20, 2012, the College entered into an intergovernmental agreement, known as the Wausau Community Area Network (WCAN), to share access to a last mile fiber optic network funded primarily by a grant from the U.S. Department of Commerce and matching funds provided by other local governments. The District has agreed to serve as the fiscal agent for the agreement. In the event that the oversight committee for this agreement votes to terminate the agreement the accumulated assets and liabilities related to the agreement are to be equitably shared by any remaining parties to the agreement. Parties that terminate participation prior to such an event forfeit any rights to the remaining assets or obligations for the remaining liabilities. Prior to 2015, the College recorded capital assets related to the agreement in its financial statements. During 2015, the College transferred those assets to the WCAN at a net depreciated value of \$1,593,733. As of June 30, 2015, the amount of accumulated assets less liabilities was \$44,477 of which the College was owed a 33.3% share and other parties owed the remaining 66.7%.

Northcentral Technical College District

Notes to Financial Statements

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:

	2015	2014
Salaries and wages	\$29,353,904	\$28,479,233
Employee benefits	12,057,247	10,837,533
Travel, memberships, and subscriptions	1,071,846	947,506
Supplies and minor equipment	8,795,006	5,662,600
Postage, printing, and advertising	1,115,024	1,012,084
Repairs and maintenance	913,740	850,724
Contracted services	801,845	4,106,559
Rentals	502,870	312,204
Insurance	380,111	452,826
Utilities	1,011,985	1,076,238
Depreciation	6,234,479	6,562,947
Other	292,435	806,902
Student aid	2,761,294	3,181,973
Total operating expenses	\$65,291,786	\$64,289,329

Northcentral Technical College District

Notes to Financial Statements

Note 14 Cumulative Effect of Accounting Change

The College implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* for the year ended June 30, 2015, which required it to report a net pension asset for the overfunded portion of its proportionate share of the Wisconsin Retirement System multi-employer plan.

Retrospective application to the year ended June 30, 2014, was impracticable because all deferred outflows of resources, and changes thereof, were not determined for the WRS as a whole for that period.

Net position at beginning of year, as previously reported	\$58,190,756
Add beginning net pension assets at measurement date	7,069,994
Add deferred outflows of resources - Contributions after measurement date	869,654
<hr/>	
Net position at beginning of year, as restated	\$66,130,404
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Required Supplementary Information

Northcentral Technical College District

Schedule of Funding Progress - Other Post-Employment Benefit Plans

Year Ended June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2013	\$0	\$6,720,458	\$6,720,458	0%	\$18,101,588	37.1%
July 1, 2011	\$0	\$4,474,984	\$4,474,984	0%	\$21,989,619	20.4%
July 1, 2009	\$0	\$8,154,622	\$8,154,622	0%	\$21,057,739	38.7%

Note: The data presented above was taken from the actuarial report. The District is required to present the above information for the three most recently completed actuarial studies.

Northcentral Technical College District

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

Year Ended June 30, 2015

Schedule of Employer's Proportionate Share of the Net Pension Asset Wisconsin Retirement System (WRS)

District's proportion of the net pension asset	0.1807%
District's proportionate share of the net pension asset	\$4,438,877
District's covered-employee payroll	\$25,366,952
District's proportionate share of the net pension asset as a percentage of its covered-employee payroll	(17.50%)
Plan fiduciary net position as a percentage of the total pension asset	102.74%

** The amounts presented were determined as of December 31, 2014.*

Schedule of Employer Contributions Wisconsin Retirement System (WRS)

Contractually required contribution	\$1,775,953
Contributions in relation to the contractually required contribution	(1,775,953)

Contribution deficiency	\$0
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District's covered-employee payroll	\$25,366,952
Contributions as a percentage of covered-employee payroll	7.00%

Notes to the 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.

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, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$6,852,552	\$7,359,730	\$7,359,730	\$0	\$7,359,730	\$0
State revenues	18,552,421	19,275,340	19,275,340		19,275,340	
Federal revenues		12,940	12,940		12,940	
Statutory program fees	9,910,000	8,556,583	8,556,583		8,556,583	
Material fees	555,000	534,933	534,933		534,933	
Other student fees	359,500	443,463	443,463		443,463	
Institutional revenues	510,000	551,336	551,336		551,336	
Total revenues	36,739,473	36,734,325	36,734,325		36,734,325	
Expenditures:						
Instruction	22,398,989	20,607,541	20,607,541		20,607,541	
Instructional resources	1,122,917	1,142,154	1,142,154		1,142,154	
Student services	2,649,811	2,649,241	2,649,241		2,649,241	
General institutional	8,215,700	8,256,629	8,256,629		8,256,629	
Physical plant	4,067,056	3,686,265	3,688,722	(2,457)	3,686,265	
Total expenditures	38,454,473	36,341,830	36,344,287	(2,457)	36,341,830	
Excess (deficiency) of revenues over expenditures	(1,715,000)	392,495	390,038	2,457	392,495	
Other financing sources (uses):						
Transfers in		68,842	68,842		68,842	
Transfers out		(9,339)	(9,339)		(9,339)	
Total other financing sources (uses)		59,503	59,503		59,503	
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	(\$1,715,000)	\$451,998	449,541	2,457	451,998	\$0
Fund balance at beginning of year			14,347,791	(2,457)	14,345,334	
Fund balance at end of year			\$14,797,332	\$0	\$14,797,332	
Fund balance:						
Reserved for prepaid items			\$182,843			
Unreserved fund balance:						
Designated for post-employment benefits			6,720,458			
Designated for state aid fluctuations			918,596			
Designated for subsequent years			1,768,297			
Designated for operations			5,207,138			
Total fund balance			\$14,797,332			

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, 2015

	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	2,019,000	3,140,026	3,140,026		3,140,026	
Federal revenues	3,347,000	2,794,582	2,794,582		2,794,582	
Statutory program fees	1,128,000	1,773,419	1,773,419		1,773,419	
Material fees	68,500	88,272	88,272		88,272	
Other student fees	435,850	408,400	408,400		408,400	
Institutional revenues	2,697,200	3,125,759	3,125,759		3,125,759	
Total revenues	10,795,550	12,430,458	12,430,458		12,430,458	
Expenditures:						
Current:						
Instruction	7,412,821	9,360,499	9,360,499		9,360,499	
Instructional resources	247,360	257,643	257,643		257,643	
Student services	1,236,414	1,320,943	1,320,943		1,320,943	
General institutional	1,956,010	1,322,525	1,322,525		1,322,525	
Physical plant	45,000	190,037	190,037		190,037	
Total expenditures	10,897,605	12,451,647	12,451,647		12,451,647	
Excess (deficiency) of revenues over expenditures	<u>(\$102,055)</u>	<u>(\$21,189)</u>	(21,189)		(21,189)	<u>\$0</u>
Fund balance at beginning of year			1,704,553		1,704,553	
Fund balance at end of year			<u>\$1,683,364</u>	<u>\$0</u>	<u>\$1,683,364</u>	
Fund balance - Unreserved - Designated for operations			<u>\$1,683,364</u>			

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Northcentral Technical College District

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

Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$200,000	\$61,811	\$61,811	\$0	\$61,811	\$0
State revenues	1,160,000	1,242,104	1,242,104		1,242,104	
Federal revenues	18,733,000	17,383,090	17,383,090		17,383,090	
Other student fees	900,000	849,282	849,282		849,282	
Institutional revenues	100,000	216,662	216,662		216,662	
Total revenues	21,093,000	19,752,949	19,752,949		19,752,949	
Expenditures:						
Student services	21,383,000	19,966,648	19,966,648		19,966,648	
Public service	45,000	142,951	142,951		142,951	
Total expenditures	21,428,000	20,109,599	20,109,599		20,109,599	
Excess (deficiency) of revenues over expenditures	<u>(\$335,000)</u>	<u>(\$356,650)</u>	(356,650)		(356,650)	<u>\$0</u>
Fund balance at beginning of year			646,615		646,615	
Fund balance at end of year			<u>\$289,965</u>	<u>\$0</u>	<u>\$289,965</u>	
Fund balance:						
Reserved fund balance:						
Student organizations			\$245,488			
Wausau Community Area Network			44,477			
Total fund balance			<u>\$289,965</u>			

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Northcentral Technical College District

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

Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local revenues	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$0
State revenues	444,300	507,194	507,194		507,194	
Federal revenues	124,955	123,667	123,667		123,667	
Institutional revenues	76,000	390,439	390,439		390,439	
Total revenues	1,645,255	2,021,300	2,021,300		2,021,300	
Expenditures:						
Capital outlay:						
Instruction	2,466,766	2,922,520	2,922,520		2,922,520	
Instructional resources	408,133	900,487	900,487		900,487	
Student services	36,300	30,750	30,750		30,750	
General institutional	3,885,062	2,554,290	2,554,290		2,554,290	
Physical plant	3,617,312	5,287,954	5,287,954		5,287,954	
Total expenditures	10,413,573	11,696,001	11,696,001		11,696,001	
Excess (deficiency) of revenues over expenditures	(8,768,318)	(9,674,701)	(9,674,701)		(9,674,701)	
Other financing sources (uses):						
Transfers out		(40,000)	(40,000)		(40,000)	
Issuance of long-term debt	10,000,000	10,000,000	10,000,000		10,000,000	
Total other financing sources (uses)	10,000,000	9,960,000	9,960,000		9,960,000	
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$1,231,682	\$285,299	285,299		285,299	\$0
Fund balance at beginning of year			10,647,058		10,647,058	
Fund balance at end of year			\$10,932,357	\$0	\$10,932,357	
Fund balance - Reserved for capital projects			\$10,932,357			

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, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local revenues	\$8,935,492	\$8,481,017	\$8,481,017	\$0	\$8,481,017	\$0
Institutional revenues	11,945	11,780	11,780		11,780	
Total revenues	8,947,437	8,492,797	8,492,797		8,492,797	
Expenditures - Physical plant	8,560,438	8,333,806	8,333,806		8,333,806	
Excess of revenues over expenditures	386,999	158,991	158,991		158,991	
Other financing sources - Premium on long-term debt	300,000	196,935	196,935		196,935	
Excess of revenues and other financing sources over expenditures	<u>\$686,999</u>	<u>\$355,926</u>	355,926		355,926	<u>\$0</u>
Fund balance at beginning of year			1,496,700		1,496,700	
Fund balance at end of year			<u>\$1,852,626</u>	\$0	<u>\$1,852,626</u>	
Fund balance - Reserved for debt service			<u>\$1,852,626</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, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Federal	\$250	\$0	\$0	\$0	\$0	\$0
Institutional	3,311,836	3,334,852	3,334,852		3,334,852	
Total revenues	3,312,086	3,334,852	3,334,852		3,334,852	
Expenses - Auxiliary service	3,418,943	3,394,866	3,394,866		3,394,866	
Excess (deficiency) of revenues over expenses	(106,857)	(60,014)	(60,014)		(60,014)	
Other financing uses - Transfers out		(28,403)	(28,842)		(28,842)	
Change in net position	<u>(\$106,857)</u>	<u>(\$88,417)</u>	(88,856)		(88,856)	<u>\$0</u>
Net position at beginning of year			774,594		774,594	
Net position at end of year			<u>\$685,738</u>	<u>\$0</u>	<u>\$685,738</u>	
Net position - Unrestricted retained earnings			<u>\$685,738</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, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues - Institutional	\$6,599,254	\$7,093,479	\$7,093,479	\$0	\$7,093,479	\$0
Expenses - Auxiliary service	7,456,401	8,323,631	8,323,631		8,323,631	
Excess (deficiency) of revenues over expenses	(857,147)	(1,230,152)	(1,230,152)		(1,230,152)	
Other financing uses - Transfers in		9,339	9,339		9,339	
Change in net position	<u>(\$857,147)</u>	<u>(\$1,220,813)</u>	(1,220,813)		(1,220,813)	<u>\$0</u>
Net position at beginning of year			2,145,410		2,145,410	
Net position at end of year			<u>\$924,597</u>	<u>\$0</u>	<u>\$924,597</u>	
Net position - Unrestricted retained earnings			<u>\$924,597</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 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	\$36,734,325
Special Revenue Aidable Fund	12,430,458
Special Revenue Non-Aidable Fund	19,752,949
Capital Projects Fund	2,021,300
Debt Service Fund	8,492,797
Enterprise Fund	3,334,852
Internal Service Fund	7,093,479
	<hr/>
	89,860,160

Adjustments:

Interfund charges from internal service and fiduciary funds are eliminated for GAAP reporting	(6,993,876)
Interfund charges for rent are eliminated for GAAP reporting	(360,000)
Student aid in the form of loans are included in revenues for budgetary purposes but offset revenues for GAAP reporting	(9,040,277)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(6,554,347)
Revenue in agency funds are included in revenues for budgetary purposes but offset revenues for GAAP reporting	(979,732)
Summer tuition is recognized on the cash basis rather than the accrual basis	849
Property taxes levied for debt service payments in the subsequent fiscal year and are deferred for budgetary purposes	454,475

Reconciled revenues	<hr/>
	\$66,387,252

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

Operating revenues	\$28,677,571
Property taxes	18,457,033
State operating appropriations	19,177,118
Investment income	75,530

Total	<hr/>
	\$66,387,252

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 Budgetary Basis and the Statement of Revenues and Expenses on a GAAP Basis (Continued)

Expenditures

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

General Fund	\$36,341,830
Special Revenue Aidable Fund	12,451,647
Special Revenue Non-Aidable Fund	20,109,599
Capital Projects Fund	11,696,001
Debt Service Fund	8,333,806
Enterprise Fund	3,394,866
Internal Service Fund	8,323,631

100,651,380

Adjustments:

Interfund charges from internal service funds are eliminated for GAAP reporting (6,949,399)

Interfund charges for rent are eliminated for GAAP reporting (360,000)

Student aid in the form of loans are included in expenditures for budgetary purposes but offset revenues for GAAP reporting (9,040,277)

Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting (6,554,347)

Expenses in agency funds are included in expenditures for budgetary purposes but offset revenues for GAAP reporting (1,323,431)

The following expenditures are recognized on the cash basis rather than the accrual basis:

Summer school instructional wages	(5,300)
Interest expense	3,912
Post-employment benefits	242,647
Pension related benefits	(115,898)
Compensated absences	5,394

The acquisition of capital assets, excluding donations, is reported as an expenditure for budgetary purposes (9,224,412)

Repayment of principal on long-term debt is a budgetary expenditure (7,680,000)

Bond premium is amortized for GAAP purposes (139,486)

Encumbrances are recorded for budgetary purposes 2,457

Depreciation and loss on asset recorded for GAAP purposes 6,233,028

Expenses on a GAAP basis \$65,746,268

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 Budgetary Basis and the Statement of Revenues and Expenses on a GAAP Basis (Continued)

Expenditures (Continued)

Expenses per the Statement of Revenues and Expenses on a GAAP Basis:	
Operating expenses	\$65,291,786
Interest expense	454,482
<hr/>	
Total	\$65,746,268
<hr/>	

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

Northcentral Technical College District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2015

Awarding Agency Award Description Pass-Through Agency	Federal Catalog Number	Pass-Through Agency Number	Program or Award Amount	Revenues		Total Expenditures
				Federal	Match	
<u>National Science Foundation</u>						
Midwest Regional Center for Nanotechnology Ed (Nano-Link)						
October 1, 2014 - June 30, 2015		1204918; PO 55543	\$19,050	\$4,283	\$0	\$4,283
<u>U.S. Department of Interior</u>						
Higher Education Grant Program	15.114					
Bureau of Indian Affairs						
July 1, 2014 - June 30, 2015		None assigned		73,097		73,097
<u>U.S. Department of Labor</u>						
Trade Adjustment Assistance Community College and Career Training ACT for Health Care	17.282					
October 1, 2014 - September 30, 2017		TC-26455-14-60-A-55	874,572	25,559		25,559
Trade Adjustment Assistance Community College and Career Training INTERFACE	17.282					
October 1, 2013 - September 30, 2017		TC-25112-13-60-A-55	6,214,585	1,653,577		1,653,577
Trade Adjustment Assistance Community College and Career Training INTERFACE - Fox Valley Technical College	17.282					
October 1, 2013 - September 30, 2016		TC-25116-13-60-A-55		479		479
Trade Adjustment Assistance Community College and Career Training Making the Future: The Wisconsin Strategy	17.282					
October 1, 2012 - September 30, 2015		TC-23775-12-60-A-55	636,211	152,455		152,455
Total U.S. Department of Labor				1,832,070		1,832,070
<u>U.S. Department of State</u>						
Middle East Partnership Initiative	19.500					
Georgetown University						
June 2014 - August 2015		NTC-RX2050-972-14	27,209	23,599	10,074	33,673
June 2015 - August 2016		NTC-RX2050-972-15	27,895	2,913		2,913
Benedictine University						
June 2014 - August 2015		N/A	22,308	22,185	8,997	31,182
June 2015 - August 2016		N/A		2,913		2,913
Total U.S. Department of State				51,610	19,071	70,681

Northcentral Technical College District

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2015

Awarding Agency Award Description Pass-Through Agency	Federal Catalog Number	Pass-Through Agency Number	Program or Award Amount	Revenues		Total Expenditures
				Federal	Match	
U.S. Department of Education						
Student Financial Assistance Cluster						
Supplemental Educational Opportunity Grants	84.007					
Direct Program						
July 1, 2013 - June 30, 2014		P007A134527	\$120,470	\$250	\$0	\$250
July 1, 2014 - June 30, 2015		P007A144527	120,470	131,970		131,970
Total 84.007			240,940	132,220		132,220
Federal Family Education Loan Program						
84.032						
Direct Program						
Subsidized Stafford Loans						
July 1, 2013 - June 30, 2014		P28K142670		(1,018)		(1,018)
July 1, 2014 - June 30, 2015		P28K152670		5,499,519		5,499,519
July 1, 2015 - June 30, 2016		P28K162670		375,245		375,245
Unsubsidized Stafford Loans						
July 1, 2014 - June 30, 2015		P28K152670		2,939,208		2,939,208
July 1, 2015 - June 30, 2016		P28K162670		205,962		205,962
PLUS Loans						
July 1, 2014 - June 30, 2015		P28K152670		12,961		12,961
Total 84.032				9,031,877		9,031,877
Federal Work Study Program						
84.033						
Direct Program						
July 1, 2014 - June 30, 2015		P033A144527	147,643	128,447	42,822	171,269
Pell Grant						
84.063						
Administrative Allowance		P063Q132670	13,040	145		145
Administrative Allowance		P063Q142670	12,795	12,795		12,795
Direct Program						
July 1, 2013 - June 30, 2014		P063P132670		(2,201)		(2,201)
July 1, 2014 - June 30, 2015		P063P142670		7,108,164		7,108,164
July 1, 2015 - June 30, 2016		P063P152670		591,237		591,237
Total 84.063			25,835	7,710,140		7,710,140
Total Student Financial Assistance Cluster			414,418	17,002,684	42,822	17,045,506
Adult Education - Basic Grants to States						
84.002						
Wisconsin Technical College System						
Basic Skills - Comprehensive						
July 1, 2014 - June 30, 2015		15-511-146-125	227,554	227,554	132,300	359,854
Integrated English Lit. and Civics Education						
July 1, 2014 - June 30, 2015		15-520-146-165	10,772	10,772		10,772
Basic Education Services - Jails						
July 1, 2014 - June 30, 2015		15-531-146-115	35,146	35,146	12,305	47,451
North Central Community Action Program						
July 1, 2014 - June 30, 2015		71-971-149-155	35,316	35,316	11,772	47,088
Total 84.002				308,788	156,377	465,165

Northcentral Technical College District

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2015

Awarding Agency Award Description Pass-Through Agency	Federal Catalog Number	Pass-Through Agency Number	Program or Award Amount	Revenues		Total Expenditures
				Federal	Match	
<u>U.S. Department of Education</u> (Continued)						
Vocational Education - Basic Grants	84.048					
Wisconsin Technical College System						
Achieving Student Success for At-Risk Students						
July 1, 2014 - June 30, 2015		15-102-150-235	\$327,041	\$327,041	\$365,700	\$692,741
Increasing NTO Enrollment and Employment						
July 1, 2014 - June 30, 2015		15-104-150-265	21,803	21,803		21,803
Career Prep						
July 1, 2014 - June 30, 2015		15-107-150-215	40,365	40,365		40,365
Strengthening Career and Technical Education						
July 1, 2014 - June 30, 2015		15-108-150-255	87,211	87,211		87,211
Total 84.048				476,420	365,700	842,120
Career and Technical Education	84.051					
Wisconsin Technical College System						
Wisc Advanced Manufacturing Pathway Education Network						
October 1, 2013 - September 30, 2014		15-847-153-204	308,035	149,991		149,991
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334					
Wisconsin Department of Public Instruction						
July 1, 2014 - June 30, 2015			36,550	36,550		36,550
Race to the Top - Early Learning Challenge	84.412A					
July 1, 2014 - June 30, 2015		CFE00449	247,800	46,677		46,677
Total U.S. Department of Education				18,021,110	564,899	18,586,009
<u>U.S. Department of Health and Human Services</u>						
Occupational Safety and Health Program	93.262					
Wisconsin Office of Justice Assistance						
February 1, 2015 - June 30, 2015		102525	5,000	3,062		3,062
<u>U.S. Agency for International Development</u>						
Foreign Assistance Programs Overseas	98.001					
Scholarships for Education and Economic Development						
Georgetown University						
July 1, 2014 - June 30, 2015		NTC-RX-2050-705-12-J		6,396		6,396
July 1, 2014 - June 30, 2015		NTC-RX-2050-705-13-H		320,966		320,966
Total 98.001				327,362		327,362
International Research and Exchanges Board (IREX)	98.XXX					
July 1, 2014 - June 30, 2015		S-ECAGD-13-CA-128 (CD)	200	85		85
July 1, 2014 - June 30, 2015		S-ECAGD-13-CA-091 (SS)	1,600	1,600		1,600
Total 98.XXX				1,685		1,685
Total U.S. Agency for International Development				329,047		329,047
TOTAL FEDERAL AWARDS				\$20,314,279	\$583,970	\$20,898,249

See Independent Auditor's Report.

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

Northcentral Technical College District

Schedule of Expenditures of State Awards

Year Ended June 30, 2015

Awarding Agency Pass-Through Agency Award Description	State I.D. Number	Pass-Through Agency Number	Program or Award Amount	Revenues		Total Expenditures
				State	Match	
<u>Wisconsin Higher Education Aids Board</u>						
Direct Programs						
Higher Education Grant July 1, 2014 - June 30, 2015	235.102		\$0	\$939,497	\$0	\$939,497
Great Lakes Supplementary Grant July 1, 2014 - June 30, 2015	235.102			52,500		52,500
Remission of Fees for Veterans and Dependents July 1, 2014 - June 30, 2015	235.105		98,222	98,222		98,222
Minority Retention Grant July 1, 2014 - June 30, 2015	235.107			5,110		5,110
Wisconsin Covenant Scholars Grant July 1, 2014 - June 30, 2015	235.108			54,547		54,547
Academic Excellence Scholarship July 1, 2014 - June 30, 2015	235.109			1,125		1,125
Handicapped Assistance Grant July 1, 2014 - June 30, 2015	235.112			1,800		1,800
Talent Incentive Program July 1, 2014 - June 30, 2015	235.114			35,725		35,725
Nursing Student Loan July 1, 2014 - June 30, 2015	235.117			8,400		8,400
Wisconsin Covenant Foundation July 1, 2014 - June 30, 2015	235.131			37,500		37,500
Indian Grant July 1, 2014 - June 30, 2015	235.132			11,098		11,098
Total Wisconsin Higher Education Aids Board				1,245,524		1,245,524
<u>Wisconsin Department of Public Instruction</u>						
Direct Program						
Minority Precollege Scholarship Program July 1, 2014 - June 30, 2015	255.903	15-7718PSP	9,000	720		720
<u>Wisconsin Technical College System</u>						
Direct Programs						
State Aids for Vocational, Technical, and Adult Education July 1, 2014 - June 30, 2015	292.105		4,384,472	4,384,472		4,384,472
State Aids for Outcomes Based Funding July 1, 2014 - June 30, 2015			1,391,836	1,391,836		1,391,836
Total 292.105				5,776,308		5,776,308
Incentive Grants						
Industrial Laser Equipment July 1, 2013 - June 30, 2014	292.112	15-818-112-144	100,000	100,000	365,101	465,101

Northcentral Technical College District

Schedule of Expenditures of State Awards (Continued)

Year Ended June 30, 2015

Awarding Agency Pass-Through Agency Award Description	State I.D. Number	Pass-Through Agency Number	Program or Award Amount	Revenues		Total Expenditures
				State	Match	
<u>Wisconsin Technical College System</u> (Continued)						
Direct Programs						
Workforce Advancement Training Grant Program	292.116					
Greenheck Succession Planning						
July 1, 2013 - August 31, 2014		15-875-116-114	\$197,968	\$44,299	\$0	\$44,299
Merrill Distributing						
July 1, 2013 - August 31, 2014		15-886-116-114	11,682	2,917		2,917
Northcentral Business Consortium						
July 1, 2013 - August 31, 2014		15-889-116-114	194,798	21,001		21,001
Career Pathways for Supervisors and Mechanics - Nestle Pizza						
July 1, 2013 - August 31, 2014		15-884-116-114	86,024	47,376		47,376
Essential Skills for Effective Teams - Swiderski Equipment						
July 1, 2013 - August 31, 2014		15-882-116-114	11,879	2,758		2,758
Enhancing Leadership at Colby Metal						
July 1, 2013 - August 31, 2014		15-888-116-114	11,426	2,797		2,797
Promoting Safe Work Environment at Robbins						
July 1, 2013 - August 31, 2014		15-879-116-114	7,533	519		519
Continuous Improvement to Sustain Graphic House						
July 1, 2013 - August 31, 2014		15-885-116-114	10,672	5,040		5,040
Sun Printing						
July 1, 2013 - August 31, 2014		15-877-116-114	23,333	6,657		6,657
Northeast Wisconsin Technical College						
Nicolet Plastics - Northeast Wisconsin Technical College						
July 1, 2013 - August 31, 2014		13-293-116-114	23,648	3,687		3,687
Total 292.116				137,051		137,051
Fire Certification Training	292.137					
July 1, 2014 - June 30, 2015		None assigned	39,158	39,158		39,158

Northcentral Technical College District

Schedule of Expenditures of State Awards (Continued)

Year Ended June 30, 2015

Awarding Agency Pass-Through Agency Award Description	State I.D. Number	Pass-Through Agency Number	Program or Award Amount	Revenues		Total Expenditures
				State	Match	
Wisconsin Technical College System (Continued)						
Direct Programs						
Workforce Advancement Training Grant Program	292.124					
RMM Communication and Leadership Refinement						
July 1, 2014 - June 30, 2015		15-876-124-175	\$22,184	\$16,601	\$1,845	\$18,446
G3 Organizational and Leadership Development						
July 1, 2014 - June 30, 2015		15-883-124-175	13,646	12,357	1,373	13,730
Strategic Growth and Emerging Talent Development - Nueskes						
July 1, 2014 - June 30, 2015		15-887-124-175	76,559	71,524	7,947	79,471
Northcentral Business Consortium Supervision and Training						
July 1, 2014 - June 30, 2015		15-880-124-175	199,951	192,867	21,430	214,297
Increasing Core Employee Skills at Church Mutual						
July 1, 2014 - June 30, 2015		15-878-124-175	35,441	23,560	2,618	26,178
Transforming and Streamlining Mid Wisconsin Beverage						
July 1, 2014 - June 30, 2015		15-881-124-175	10,006	5,740	638	6,378
Leading Effective Change at Ministry Health Care						
July 1, 2014 - June 30, 2015		15-882-124-175	22,217	10,346	1,150	11,496
Renal Dialysis Technician						
July 1, 2014 - June 30, 2015		15-801-124-145	230,696	230,697		230,697
Carpentry and Construction Related Programs TSA						
July 1, 2014 - June 30, 2015		15-815-124-185	17,000	13,298		13,298
Consortium - Career Pathways						
July 1, 2014 - June 30, 2015		15-820-124-125	323,162	323,162	107,720	430,882
Enhancing the First Year Experience and Tutoring						
July 1, 2014 - June 30, 2015		15-824-124-165	193,032	193,032	64,344	257,376
Agriculture Career Pathways Pilot						
July 1, 2014 - June 30, 2015		15-831-124-185	2,200	2,194		2,194
Industrial Electrical Apprentice - Related Inst						
July 1, 2014 - June 30, 2015		15-833-124-115	80,000	8,000		8,000
Systemwide Leadership - Machining						
July 1, 2014 - June 30, 2015		15-840-124-185	15,000	12,624		12,624
Professional Development						
July 1, 2014 - June 30, 2015		15-849-124-155	55,244	53,462		53,462
Welding Career Pathway to Support Consortium						
July 1, 2014 - June 30, 2015		15-864-124-135	464,719	464,691	3,776	468,467
Core Industry - Machine Tool						
July 1, 2014 - June 30, 2015		15-865-124-135	541,330	541,330		541,330
Chippewa Valley Technical College						
Manufacturing Assistance - Chippewa Valley Technical College						
July 1, 2014 - June 30, 2015		01-586-124-185	5,966	5,966		5,966
Total 292.124				2,181,451	212,841	2,394,292

Northcentral Technical College District

Schedule of Expenditures of State Awards (Continued)

Year Ended June 30, 2015

Northcentral Technical College District

Schedule of Expenditures of State Awards (Continued)

Year Ended June 30, 2015

Awarding Agency Pass-Through Agency Award Description	State I.D. Number	Pass-Through Agency Number	Program or Award Amount	Revenues		Total
				State	Match	Expenditures
<u>Wisconsin Technical College System (Continued)</u>						
Direct Program						
Hazmat Training	292.138					
July 1, 2014 - June 30, 2015		None assigned	\$6,068	\$6,238	\$0	\$6,238
Property Tax Relief Aids	292.162					
July 1, 2014 - June 30, 2015		None assigned	13,229,408	13,229,408		13,229,408
Total Wisconsin Technical College System				21,469,614	577,942	22,047,556
<u>Wisconsin Department of Natural Resources</u>						
State Aid in Lieu of Property Taxes	370.503					
July 1, 2014 - June 30, 2015		None assigned	34,012	34,012		34,012
Logging Funds	370.544					
July 1, 2014 - June 30, 2015		None assigned	200,000	11		11
Total Wisconsin Department of Natural Resources				34,023		34,023
<u>Wisconsin Department of Workforce Development</u>						
Direct Program						
Local Youth Apprenticeship	445.107					
July 1, 2013 - December 31, 2014			286,200	60,526		60,526
July 1, 2014 - June 30, 2015		1U	299,700	299,700	149,850	449,550
Total 445.107				360,226	149,850	510,076
Wisconsin Fast Forward - Blueprint for Prosperity	445.109					
July 1, 2014 - June 30, 2016		BP142TC-NC	2,264,812	787,570		787,570
Academy-to-Work: Health and Welding Career Pathway	445.109					
July 1, 2014 - September 30, 2015		BP142HSP-24	149,641	130,517	31,553	162,070
Total 445.109				918,087	31,553	949,640
Total Wisconsin Department of Workforce Development				1,278,313	181,403	1,459,716
<u>Wisconsin Department of Justice</u>						
Direct Program						
Leadership in Police Organizations	455.231					
July 1, 2014 - June 30, 2015		2015-LE-01-11205	35,610	21,135		21,135
<u>Wisconsin Department of Revenue</u>						
Direct Program						
State Aid - Computer	835.109					
July 1, 2014 - June 30, 2015		None assigned	91,993	91,993		91,993
<u>Wisconsin Department of Transportation</u>						
Direct Program						
Motorcycle Safety - Basic Rider	20.395 (4)(aq)					
March 1, 2014 - October 15, 2014		M/C-14-13-792-V	23,342	23,342		23,342
TOTAL STATE AWARDS				\$24,164,664	\$759,345	\$24,924,009

See Independent Auditor's Report.

See accompanying notes to the 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 awards and state awards include the federal and state grant activity of the District under programs of the federal and state government for the year ended June 30, 2015. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. 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 in accordance with accounting principles generally accepted in the United States. 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. Pass-through entity identifying numbers are presented where available.

Note 3 Schedule of Subrecipient Awards

The District had no awards to subrecipients and did not otherwise serve as a pass-through entity for Federal or State awards in the current year.

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	\$11,282,402
Adjustment - Federal Family Education Loans (CFDA No. 84.032)	9,031,877

Revenues per schedule of expenditures of federal awards	\$20,314,279
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State:

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

Operating revenues - State grants	\$4,926,646
Non-operating revenues - State operating appropriations	19,177,118

Total State revenues	24,103,764
Adjustment - Great Lakes Supplementary Grant (State ID No. 235.102)	52,500
Adjustment - Nursing Student Loans (State ID No. 235.117)	8,400

Revenues per schedule of expenditures of state awards	\$24,164,664
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STATISTICAL SECTION

YEARS ENDED 2015 & 2014
COMPREHENSIVE
ANNUAL FINANCIAL REPORT

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)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net investment in capital assets	\$29,039,852	\$29,746,802	\$28,929,853	\$26,198,655	\$23,869,432	\$23,167,571	\$24,182,581	\$25,442,347	\$25,384,501	\$25,264,132
Restricted for debt service	10,121,109	9,264,121	9,022,841	8,833,890	7,992,407	7,392,848	6,434,911	6,135,693	5,935,366	6,163,200
Restricted for pension benefit	4,402,643									
Unrestricted	21,614,051	19,179,833	21,597,609	21,362,082	21,903,976	18,774,063	15,233,783	15,311,499	12,083,114	7,375,691
Total net position	\$65,177,655	\$58,190,756	\$59,550,303	\$56,394,627	\$53,765,815	\$49,334,482	\$45,851,275	\$46,889,539	\$43,402,981	\$38,803,023

Northcentral Technical College District

Changes in Net Position Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating revenues:										
Student program fees, net of scholarship allowances	\$4,485,648	\$4,774,640	\$4,560,101	\$4,449,494	\$4,763,274	\$5,010,132	\$3,855,863	\$3,559,182	\$3,345,774	\$3,093,879
Student material fees, net of scholarship allowances	347,126	358,249	347,082	323,597	326,035	473,623	347,049	322,136	317,163	308,739
Other student fees, net of scholarship allowances	340,848	162,453	28,406	53,305	391,829	410,365	585,484	565,540	567,214	514,878
Federal grants	11,282,402	11,727,859	12,805,849	11,239,770	12,226,139	9,817,813	6,693,526	5,183,014	4,874,444	4,532,082
State grants	4,926,646	2,753,170	2,552,875	2,084,190	2,058,255	2,016,882	2,208,897	1,720,134	1,451,631	1,365,444
Business and industry contract revenues	2,210,023	1,727,342	1,587,110	1,513,126	1,330,918	1,456,785	1,158,821	1,003,827	566,116	595,258
School District contract revenues	636,323	655,060	676,448	718,401	672,582	809,918	786,151	852,682	813,576	840,019
Auxiliary enterprise revenues	3,255,858	3,570,585	3,499,721	3,269,643	3,303,348	3,247,042	3,225,603	2,544,502	2,375,766	1,875,836
Miscellaneous	1,192,697	1,315,374	1,186,501	1,849,936	1,384,920	725,017	1,885,258	1,114,834	1,198,856	930,397
Total operating revenues	28,677,571	27,044,732	27,244,093	25,501,462	26,457,300	23,967,577	20,746,652	16,865,851	15,510,540	14,056,532
Operating expenses:										
Instruction	31,142,075	30,151,286	28,663,343	29,168,448	29,240,881	27,994,288	28,789,051	25,337,518	23,197,202	23,023,061
Instructional resources	1,673,428	1,482,282	968,416	1,443,681	1,555,590	1,441,419	2,035,950	1,548,414	1,422,652	1,461,393
Student services	4,191,157	4,129,864	4,618,620	4,489,910	4,446,312	4,392,581	4,603,935	4,032,140	2,915,334	2,898,686
General institutional	10,890,678	10,027,128	8,878,857	7,896,147	7,759,836	7,622,418	8,014,298	6,986,933	6,038,859	6,201,074
Physical plant	4,767,258	4,931,756	4,553,487	4,314,570	4,275,844	4,724,494	5,115,885	4,322,263	3,207,191	1,604,012
Auxiliary enterprise services	3,389,300	3,382,427	3,217,110	2,925,590	3,295,623	3,563,537	3,358,132	2,232,575	2,244,242	1,655,598
Public service		45,415		36,277					13,322	40,904
Depreciation	6,234,479	6,562,946	4,938,861	4,140,351	3,471,890	3,515,954	3,239,892	2,935,133	3,756,386	3,595,132
Student aid	3,003,411	3,576,225	3,344,454	3,896,221	4,986,774	3,703,967	1,747,427	1,264,596	1,142,200	1,003,981
Total operating expenses	65,291,786	64,289,329	59,183,148	58,311,195	59,032,750	56,958,658	56,904,570	48,659,572	43,937,388	41,483,841
Operating loss	(36,614,215)	(37,244,597)	(31,939,055)	(32,809,733)	(32,575,450)	(32,991,081)	(36,157,918)	(31,793,721)	(28,426,848)	(27,427,309)
Non-operating revenues (expenses):										
Property taxes	18,457,033	31,075,521	30,099,517	30,811,262	30,427,497	29,891,889	28,820,520	27,606,561	26,451,712	25,216,958
State operating appropriations	19,177,118	5,174,400	5,320,056	4,976,632	7,090,620	7,276,964	6,623,586	6,224,200	6,426,460	6,001,453
Loss on disposal of capital assets				(17,048)	(6,980)	(43,588)			(6,219)	(84,381)
Investment income earned	75,530	124,243	80,276	136,086	112,977	159,093	318,841	695,381	702,019	441,643
Interest expense	(454,482)	(489,114)	(405,118)	(491,127)	(617,331)	(722,535)	(643,293)	(621,880)	(559,083)	(568,921)
Transfer of capital assets to Wausau Area Community Network	(1,593,733)									
Total non-operating revenues (expenses)	35,661,466	35,885,050	35,094,731	35,415,805	37,006,783	36,561,823	35,119,654	33,904,262	33,014,889	31,006,752
Income (loss) before other changes in net position	(952,749)	(1,359,547)	3,155,676	2,606,072	4,431,333	3,570,742	(1,038,264)	2,110,541	4,588,041	3,579,443
Impairment gain on tornado damage				22,740						
State capital grant									1,800	6,500
Federal capital grant								2,855	10,117	145,013
Special item - Cumulative effect of change in accounting principle						(87,535)				
Total change in net position	(\$952,749)	(\$1,359,547)	\$3,155,676	\$2,628,812	\$4,431,333	\$3,483,207	(\$1,038,264)	\$2,113,396	\$4,599,958	\$3,730,956

The District implemented GASB 65 beginning with fiscal year ended June 30, 2012, and restated fiscal year ended June 30, 2010, 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)
2005	\$8,623,158,737	\$1,913,246,560	\$476,782,700	\$254,412,556	\$96,023,876	\$816,917,195	\$508,363,303	\$354,490,758	\$13,043,395,685	\$11,976,302,135	1.93228
% of Total	66.11%	14.67%	3.66%	1.95%	0.74%	6.26%	3.90%	2.72%			
2006	9,311,866,631	2,051,214,720	466,585,400	264,742,967	111,920,426	897,768,040	522,741,342	368,731,347	13,995,570,873	12,858,126,272	1.88567
% of Total	66.53%	14.66%	3.33%	1.89%	0.80%	6.41%	3.74%	2.63%			
2007	10,241,038,274	2,322,261,400	495,553,700	289,012,313	124,075,641	971,273,130	557,816,392	396,591,517	15,397,622,367	13,568,574,293	1.86375
% of Total	66.51%	15.08%	3.22%	1.88%	0.81%	6.31%	3.62%	2.58%			
2008	10,736,754,964	2,441,913,230	532,117,600	306,556,752	132,127,662	1,015,503,896	580,657,787	412,952,074	16,158,583,965	14,238,122,458	1.84922
% of Total	66.45%	15.11%	3.29%	1.90%	0.82%	6.28%	3.59%	2.56%			
2009	11,020,106,409	2,498,532,660	541,387,600	325,234,760	141,021,797	1,058,598,001	599,760,897	415,735,775	16,600,377,899	14,265,579,474	1.91253
% of Total	66.38%	15.05%	3.26%	1.96%	0.85%	6.38%	3.61%	2.50%			
2010	11,220,520,984	2,550,888,270	550,273,400	345,294,135	151,627,637	1,083,784,881	619,995,157	427,814,347	16,950,198,811	14,033,818,581	1.97621
% of Total	66.20%	15.05%	3.25%	2.04%	0.89%	6.39%	3.66%	2.52%			
2011	11,329,151,644	2,562,749,250	551,721,700	353,685,107	154,952,137	1,083,720,144	628,773,357	417,912,401	17,082,665,740	13,919,063,083	2.02251
% of Total	66.32%	15.00%	3.23%	2.07%	0.91%	6.34%	3.68%	2.45%			
2012	11,378,295,085	2,539,098,460	564,778,200	360,404,136	157,045,782	1,078,808,944	624,930,340	419,615,926	17,122,976,873	13,577,381,656	2.02250
% of Total	66.45%	14.83%	3.30%	2.10%	0.92%	6.30%	3.65%	2.45%			
2013	11,382,792,954	2,596,436,300	535,848,700	360,002,686	159,293,342	1,060,060,963	617,295,452	440,207,124	17,151,937,521	13,565,091,841	2.08521
% of Total	66.36%	15.14%	3.12%	2.10%	0.93%	6.18%	3.60%	2.57%			
2014	11,390,744,716	2,638,766,060	534,072,500	359,750,959	158,843,863	1,039,358,224	617,269,000	446,792,459	17,185,597,781	13,785,484,262	1.21807
% of Total	66.28%	15.35%	3.11%	2.09%	0.92%	6.05%	3.59%	2.60%			

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District Direct Rates										
Operational (1)	0.627	1.510	1.497	1.499	1.499	1.473	1.468	1.478	1.481	1.484
Debt Service	0.591	0.575	0.526	0.523	0.476	0.439	0.382	0.386	0.404	0.449
Total Direct Rate	1.218	2.085	2.023	2.022	1.975	1.912	1.850	1.864	1.885	1.933
<u>Clark County</u>										
T Beaver	21.55	21.53	20.55	20.49	20.58	18.89	18.89	20.64	20.40	21.44
T Colby	20.74	20.84	21.42	19.56	18.98	18.36	18.69	19.73	18.51	19.03
T Eaton	24.18	25.01	24.23	23.49	23.20	21.67	21.81	22.40	22.09	24.26
T Fremont	22.38	22.52	22.52	22.43	21.92	20.16	19.52	19.10	19.17	19.84
T Green Grove	20.02	19.16	19.64	19.70	19.80	18.35	17.47	18.49	18.36	18.83
T Hoard	18.62	17.23	18.45	19.20	20.33	18.65	17.02	17.09	17.43	17.96
T Loyal	21.60	21.55	20.56	20.63	20.69	18.96	18.87	20.51	19.87	20.96
T Mayville	23.37	22.39	22.78	21.60	21.00	20.18	20.26	20.71	20.10	20.61
T Sherman	20.73	20.59	20.10	19.95	19.26	18.26	17.75	19.10	18.79	19.81
T Unity	21.39	21.36	21.65	20.69	19.85	19.21	19.19	20.49	19.64	20.40
T Warner	25.75	26.46	25.64	24.93	24.56	22.97	21.91	22.50	22.22	23.80
T Weston	19.92	20.72	21.63	21.16	20.76	19.45	18.60	19.44	19.11	19.61
T York	21.04	21.37	21.58	21.47	21.21	19.07	18.90	20.00	19.59	21.30
V Curtiss	32.81	31.04	31.49	30.84	27.81	24.10	28.28	26.90	26.50	27.20
V Dorchester	25.51	25.69	26.40	24.42	24.07	23.49	23.77	24.61	23.10	23.57
V Unity	23.38	23.39	23.83	22.31	21.30	20.63	21.04	22.35	21.44	21.90
C Abbotsford	26.49	26.57	26.60	25.33	24.86	24.19	23.51	23.14	22.91	24.04
C Colby	28.13	28.60	28.43	26.63	25.23	24.82	24.79	25.94	24.96	25.12
C Loyal	29.33	29.22	27.34	28.24	27.00	25.14	25.01	26.48	26.12	26.53
<u>Langlade County</u>										
T Ackley	17.62	17.79	16.84	18.11	17.52	16.32	15.39	15.75	16.85	17.10
T Antigo	18.55	19.05	18.30	19.49	18.93	17.75	16.79	17.05	18.15	18.53
T Evergreen	19.57	20.58	20.27	20.62	20.68	19.37	18.04	17.39	18.95	19.26
T Langlade	17.34	17.81	17.12	18.39	17.92	16.80	15.85	16.18	17.37	17.73
T Neva	17.77	18.13	17.52	18.62	18.01	16.26	15.33	15.82	16.78	17.15
T Norwood	17.63	18.05	17.34	18.61	18.00	16.85	16.01	16.45	17.65	18.07
T Peck	16.65	17.04	16.33	17.52	16.96	15.92	15.06	15.46	16.52	16.84
T Polar	17.89	18.24	17.53	18.85	18.32	17.06	16.26	16.73	17.85	18.24
T Price	17.07	17.50	16.78	18.05	17.48	16.26	15.42	15.83	16.93	17.26
T Rolling	18.65	19.05	18.23	19.50	18.89	17.78	16.97	17.37	18.29	18.72
T Summit	16.93	17.37	16.67	17.94	17.29	16.16	15.33	15.70	16.79	17.05
T Upham	13.62	14.23	13.55	13.78	13.67	13.44	11.98	12.51	13.08	13.86
T Vilas	17.46	17.89	17.20	18.48	17.86	16.74	15.88	16.27	17.40	17.64
T Wolf River	19.03	20.00	19.74	20.08	20.16	18.90	17.60	17.04	18.59	18.87
V White Lake	24.92	26.06	26.15	26.54	26.92	25.65	24.38	24.53	25.04	25.47
C Antigo	25.78	26.01	25.50	26.48	25.87	25.61	24.40	24.32	25.49	24.48
<u>Lincoln County</u>										
T Birch	18.27	18.42	17.23	17.08	17.44	15.96	15.14	15.33	14.65	16.15
T Corning	19.97	20.20	18.97	19.15	19.46	17.87	16.88	17.27	16.66	18.20
T Harding	18.93	19.12	17.58	17.79	18.14	16.64	15.61	16.01	15.40	16.99
T Harrison	16.54	17.54	16.13	16.31	16.16	15.05	14.36	15.06	14.56	15.26

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>Lincoln County</u> (Continued)										
T Merrill	19.37	19.51	18.32	18.54	19.01	17.36	16.37	16.81	16.09	17.62
T Pine River	20.39	20.64	19.35	19.51	19.84	18.08	17.04	17.68	16.93	18.61
T Rock Falls	18.55	18.83	17.62	17.89	18.14	16.76	15.79	16.25	15.54	16.93
T Russell	19.67	19.78	18.55	18.76	19.20	17.62	16.48	16.76	16.21	17.76
T Schley	18.82	18.98	17.75	17.98	18.34	16.84	15.79	16.18	15.56	17.09
T Scott	20.41	20.51	19.20	19.50	19.81	18.28	17.15	17.51	17.01	18.62
C Merrill	33.00	31.02	29.17	29.48	29.79	27.88	26.10	26.19	25.35	26.70
<u>Marathon County</u>										
T Bergen	18.16	19.25	18.99	19.11	18.52	17.54	17.00	16.70	17.33	17.06
T Berlin	19.98	20.69	20.66	20.79	20.45	19.63	18.43	18.99	19.04	20.09
T Bern	19.02	19.89	19.83	19.48	19.74	18.86	18.60	18.46	18.35	17.76
T Bevent	18.88	18.82	18.99	17.84	17.65	19.67	17.46	18.50	17.21	18.20
T Brighton	19.85	20.50	20.91	20.11	18.92	18.99	18.59	19.23	18.58	19.63
T Cassel	18.57	18.91	19.20	19.27	18.41	17.70	16.81	17.01	17.01	18.67
T Cleveland	18.14	19.15	18.93	18.86	18.11	17.34	16.92	17.04	17.21	17.54
T Day	20.13	20.58	20.36	20.03	19.31	18.50	17.37	17.02	17.58	17.70
T Easton	22.34	21.92	21.75	21.17	20.67	19.94	20.68	19.89	19.09	20.09
T Eau Pleine	17.17	18.12	17.83	17.77	16.95	16.21	15.86	15.79	16.09	16.39
T Elderon	17.78	17.45	17.91	17.71	16.73	16.86	15.12	15.03	15.69	17.35
T Emmet	18.34	18.68	18.58	18.69	17.93	17.07	16.45	16.41	16.27	17.21
T Frankfort	18.69	19.48	19.49	18.83	18.21	17.68	17.54	17.82	17.57	18.12
T Franzen	18.69	17.69	17.88	17.67	16.99	17.16	15.29	15.17	15.69	17.25
T Green Valley	19.57	20.74	20.48	20.46	19.74	18.51	17.91	17.63	17.50	18.32
T Guenther	20.99	21.77	21.98	21.52	20.83	19.64	19.50	18.38	18.02	18.88
T Halsey	20.42	21.28	20.07	19.72	20.15	19.24	18.94	18.79	18.52	17.76
T Hamburg	20.10	19.95	19.26	19.39	19.63	18.47	17.65	17.97	17.86	19.24
T Harrison	16.74	17.15	16.54	17.75	17.25	16.55	15.86	16.30	17.27	17.68
T Hewitt	21.95	22.55	22.59	22.66	22.20	21.22	19.97	20.56	20.77	22.01
T Holton	18.07	18.60	18.88	17.62	17.25	17.01	17.36	17.48	16.81	17.24
T Hull	18.11	18.78	19.46	18.03	17.71	17.59	18.20	18.96	17.81	18.41
T Johnson	19.76	20.39	20.32	19.26	19.90	19.09	18.30	17.92	17.73	17.38
T Knowlton	18.13	19.29	19.06	19.16	18.43	17.35	16.82	16.56	16.13	16.84
T Maine	21.83	21.98	21.93	22.13	21.95	20.95	20.00	20.38	20.44	20.67
T Marathon	18.77	18.77	19.72	19.66	18.66	18.09	17.21	17.37	17.17	19.32
T McMillan	18.55	19.48	19.61	19.11	18.76	18.53	17.70	16.72	18.73	19.00
T Mosinee	18.60	19.60	19.51	19.56	18.89	17.74	17.23	17.01	16.55	17.37
T Norrie	17.66	17.55	17.59	17.37	16.54	16.56	15.02	14.92	15.40	16.87
T Plover	20.43	20.00	20.15	20.51	19.70	19.20	17.85	18.06	18.92	19.94
T Reid	18.27	18.62	18.70	18.55	17.76	17.46	16.34	16.26	16.36	17.58
T Rib Falls	18.67	18.84	19.34	19.36	18.59	17.88	16.99	17.10	17.09	18.89
T Rib Mountain	21.29	22.18	21.99	21.95	21.65	20.79	19.53	20.10	20.02	21.08
T Rietbrock	19.73	20.56	20.39	20.14	20.20	19.27	18.90	18.86	18.73	18.54
T Ringle	18.63	19.65	19.32	18.82	18.33	17.72	17.64	17.60	16.96	17.77
T Spencer	19.22	19.82	20.11	19.89	18.18	18.66	17.47	17.99	17.83	18.76
T Stettin	20.78	21.45	21.72	21.78	21.36	20.61	19.51	20.15	20.18	21.30
T Texas	20.66	21.44	21.38	21.50	21.22	20.31	18.97	19.50	19.43	19.78
T Wausau	21.46	21.64	21.03	20.90	20.79	20.01	18.96	19.36	19.05	20.06

Northcentral Technical College District

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

Last Ten Years

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

	Calendar Year Taxes are Payable									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>Marathon County</u> (Continued)										
T Weston	19.09	19.12	18.81	18.31	17.87	17.24	17.17	17.16	16.52	17.32
T Wien	18.21	19.06	18.63	18.81	18.08	17.18	16.43	16.69	16.83	17.86
V Athens	25.13	26.17	26.30	25.63	25.68	24.74	24.48	24.18	24.08	23.31
V Birnamwood	19.86	19.37	19.83	19.56	18.77	19.03	16.98	17.89	17.49	19.09
V Brokaw	37.93	43.17	38.81	30.08	28.97	25.79	24.47	25.25	23.38	23.81
V Dorchester	22.80	23.48	22.35	20.69	21.93	21.43	22.58	23.79	22.64	22.81
V Edgar	22.89	23.37	22.72	22.85	22.32	21.16	20.07	20.52	20.46	21.37
V Elderon	18.55	18.28	18.64	18.33	17.57	17.59	15.89	15.83	16.57	18.15
V Fenwood	18.64	19.46	18.91	19.12	18.53	17.57	16.68	16.97	17.07	18.18
V Hatley	20.50	21.39	21.24	20.47	20.04	19.32	19.18	18.60	18.06	18.17
V Kronenwetter	22.07	22.86	22.60	21.95	21.12	19.89	19.62	19.36	18.82	19.62
V Marathon	23.98	23.94	25.00	24.55	23.53	22.79	21.83	22.20	21.69	24.08
V Rothschild	24.72	25.53	24.89	23.86	23.45	22.91	22.56	22.43	21.80	22.67
V Spencer	24.75	25.11	25.27	25.19	23.18	23.63	22.40	23.16	22.83	24.32
V Stratford	21.47	22.49	22.26	22.05	21.19	20.29	19.86	19.61	19.65	19.98
V Unity	19.90	20.84	21.40	20.14	19.29	18.93	19.07	20.04	19.21	19.36
V Weston	23.66	24.40	23.99	23.14	22.76	21.89	21.66	21.76	21.18	21.95
C Abbotsford	24.30	24.54	24.58	23.26	23.01	22.44	21.73	21.28	21.44	21.96
C Colby	24.92	26.08	25.88	24.16	23.00	22.95	23.02	23.89	22.98	22.98
C Mosinee	23.68	24.52	24.20	23.81	22.90	21.76	21.02	20.91	20.53	21.25
C Schofield	24.87	25.54	25.21	24.73	24.43	23.40	23.03	23.16	22.47	23.11
C Wausau	26.77	27.89	27.49	27.29	27.03	26.00	24.42	25.56	25.22	26.33
<u>Menominee County</u>										
T Menominee	22.48	22.71	21.63	20.61	20.49	19.08	20.53	22.45	22.12	21.82
<u>Portage County</u>										
T Alban	20.71	20.94	20.66	19.22	19.40	21.15	18.71	19.80	18.22	19.23
T New Hope	17.89	18.67	18.53	17.69	17.58	17.77	15.95	16.83	15.89	16.82
T Sharon	18.56	19.76	19.52	18.69	18.41	19.75	17.98	18.46	17.38	17.85
T Stockton	17.21	19.07	18.75	18.20	18.14	18.48	17.28	17.30	17.14	17.30
V Rosholt	24.50	24.98	22.99	21.81	21.40	23.19	20.62	21.46	19.22	19.51
<u>Price County</u>										
T Catawba	16.93	17.89	18.04	17.27	17.56	16.19	15.98	15.96	16.10	16.18
T Eisenstein	14.80	16.36	16.13	15.43	17.00	16.10	13.69	13.63	14.62	15.16
T Elk	17.47	18.33	18.63	17.69	18.01	16.59	16.57	16.68	16.58	16.72
T Emery	16.88	17.72	17.99	17.17	17.47	16.03	15.92	15.98	15.93	15.95
T Fifield	16.67	18.35	18.20	17.43	19.03	18.36	15.91	15.85	16.98	17.75
T Flambeau	17.58	18.72	18.39	17.50	17.74	16.30	16.14	16.15	16.13	16.29
T Georgetown	17.16	18.06	18.29	17.45	17.67	16.44	16.29	16.36	16.46	16.54
T Hackett	18.30	19.66	19.13	18.99	19.23	17.82	16.78	16.81	17.38	18.03
T Harmony	17.77	18.56	18.63	17.84	18.11	16.65	16.56	16.54	16.78	16.52
T Hill	18.42	19.88	19.29	19.17	19.31	18.09	17.19	17.06	17.37	18.72
T Kennan	17.84	18.77	19.04	18.16	18.31	17.26	17.06	16.98	17.27	17.75
T Knox	17.70	19.68	19.16	19.27	19.53	18.31	16.90	16.95	17.62	18.74
T Lake	15.86	17.50	17.17	16.43	17.83	17.01	14.56	14.62	15.70	16.17
T Ogema	19.06	20.98	19.48	19.61	19.84	18.60	17.13	17.06	17.71	18.84

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>Price County</u> (Continued)										
T Prentice	18.41	20.07	19.23	19.44	19.54	18.24	16.80	16.79	17.84	18.70
T Spirit	19.18	20.44	19.94	19.49	19.45	18.25	18.13	17.81	17.65	19.42
T Worcester	16.86	17.69	17.95	17.12	17.36	15.89	15.82	15.95	15.87	15.91
V Catawba	16.89	17.81	17.99	17.22	17.55	16.11	15.98	16.06	16.04	16.05
V Kennan	16.80	17.72	17.89	17.16	17.45	15.99	15.87	15.97	15.90	15.82
V Prentice	21.83	23.54	22.89	23.09	23.30	21.81	20.19	20.42	20.68	21.94
C Park Falls	27.18	29.82	27.41	25.45	27.17	25.73	22.61	22.28	22.09	22.79
C Phillips	25.58	26.27	26.74	25.81	25.88	23.99	23.61	24.07	24.52	22.72
<u>Shawano County</u>										
T Almon	18.41	19.09	19.25	19.31	18.09	15.98	15.58	17.59	18.61	18.27
T Aniwa	17.66	17.46	17.50	17.77	17.08	16.58	15.14	15.27	16.21	17.35
T Bartelme	16.50	17.26	17.35	17.40	16.23	14.07	13.78	15.48	16.32	15.78
T Birnamwood	17.86	17.45	17.91	17.58	16.74	16.55	14.61	14.53	15.41	17.03
T Fairbanks	21.25	21.80	20.69	20.40	20.62	18.70	18.09	18.00	19.14	20.78
T Germania	18.67	18.80	18.34	18.07	17.80	16.68	15.48	15.35	16.23	17.97
T Grant	19.77	20.96	19.73	19.05	19.39	18.04	17.29	17.50	18.20	19.57
T Hutchins	17.48	17.97	17.64	18.31	17.63	16.33	15.64	16.64	17.78	18.17
T Morris	19.30	19.73	19.44	19.27	18.71	17.09	16.38	16.99	18.02	18.89
T Seneca	18.47	19.26	19.14	19.04	18.16	16.10	15.77	17.33	18.01	18.03
T Wittenberg	18.05	17.70	18.16	17.81	16.94	16.79	14.84	14.80	15.54	17.20
V Aniwa	16.74	17.07	16.45	17.57	17.08	16.12	15.25	15.75	16.77	17.17
V Birnamwood	21.26	20.54	20.62	20.23	19.53	19.49	17.36	18.33	17.71	19.23
V Bowler	17.31	17.97	18.14	18.17	16.97	14.72	14.31	16.07	16.98	16.51
V Eland	18.68	18.29	18.69	18.35	17.39	16.95	14.90	15.01	15.76	17.45
V Mattoon	18.66	17.20	18.74	19.73	18.81	17.63	16.63	17.26	18.38	18.93
V Tigerton	25.13	25.24	24.11	23.57	23.56	21.11	20.50	20.32	21.51	23.03
V Wittenberg	21.13	20.55	21.00	20.90	20.05	19.74	17.91	18.13	18.69	20.82
<u>Taylor County</u>										
T Browning	19.00	19.99	19.91	19.57	19.01	17.89	16.88	17.03	18.30	18.77
T Chelsea	18.57	19.54	19.33	18.97	18.40	17.26	16.25	16.41	17.62	18.19
T Deer Creek	20.09	21.08	20.99	20.58	20.00	18.80	17.83	17.89	19.18	19.83
T Goodrich	19.43	20.42	20.35	19.98	19.38	18.30	17.17	17.39	18.60	19.16
T Greenwood	21.11	21.74	21.63	20.78	20.62	19.19	19.46	18.88	18.43	19.98
T Grover	22.26	22.63	21.67	20.84	20.59	18.83	18.06	17.94	18.95	19.30
T Hammel	19.94	21.00	20.84	20.31	19.53	18.42	17.36	17.48	18.67	19.41
T Holway	19.83	21.27	20.73	20.36	19.50	17.91	17.90	17.34	18.27	18.84
T Little Black	19.60	20.74	20.63	20.19	19.61	18.42	17.43	17.49	18.92	19.26
T Maplehurst	20.74	20.03	20.28	20.65	21.06	19.28	17.72	17.91	18.97	19.40
T Medford	19.37	20.36	20.32	19.98	19.41	18.19	17.18	17.35	18.60	19.19
T Molitor	20.36	21.35	21.20	20.91	20.34	19.26	18.11	18.30	19.49	19.99
T Rib Lake	21.91	22.59	22.57	21.61	21.45	20.03	20.36	19.83	19.41	21.10
T Westboro	22.23	22.81	22.89	22.01	21.88	20.42	20.62	20.15	19.84	21.35
V Rib Lake	25.62	26.45	26.75	26.01	25.99	24.06	24.37	23.82	23.24	25.24
V Stetsonville	19.28	20.41	20.46	19.98	19.49	18.23	17.24	17.22	18.47	18.93
C Medford	24.29	25.35	25.18	24.76	24.14	22.66	21.35	21.33	22.78	23.33

Northcentral Technical College District

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

Last Ten Years

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

	Calendar Year Taxes are Payable									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>Waupaca County</u>										
T Harrison	20.20	20.52	20.35	19.23	19.27	19.63	17.54	18.45	17.79	18.77
T Wyoming	19.12	20.13	19.05	18.17	18.37	17.35	16.40	16.63	16.87	18.35

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

Notes:

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

Northcentral Technical College District

Principal Property Taxpayers
Current Year and Nine Years Ago

Name of Business	Type of Business	Year Ended June 30, 2015			Year Ended June 30, 2006		
		2014 Equalized Valuation (1)	Rank	Percent of NTC Total Equalized Valuation	2005 Equalized Valuation (2)	Rank	Percent of NTC Total Equalized Valuation
Marshfield Clinic	Health care	\$40,173,100	1	0.27%	\$37,537,573	5	0.29%
Wausau Insurance/Liberty Mutual	Insurance	29,120,000	2	0.19%			
Packaging Corporation of America	Paper mill/manufacturer of corrugated medium	28,501,300	3	0.19%	25,468,386	8	0.20%
Menards Inc.	Retail	23,437,200	4	0.16%			
Kocurek Holdings Inc.	Retail	22,703,500	5	0.15%			
Saint Clare's Hospital	Health care	22,489,800	6	0.15%			
Wausau Joint Venture	Mall	21,719,500	7	0.14%			
Greenheck Fan Corporation	Manufacturer of industrial fans	18,455,200	8	0.12%	23,116,142	10	0.18%
Abbyland Foods Inc.	Manufacturer of meat products	16,062,800	9	0.11%			
Nestle Pizza Corporation	Manufacturer of frozen pizza	15,996,600	10	0.11%			
Plum Creek Timberlands	Timber				52,508,503	1	0.40%
Wausau-Mosinee Paper Corporation	Manufacturer of paper products				45,541,697	2	0.35%
Employers Insurance of Wausau	Insurance				40,951,043	3	0.31%
Tomahawk Timberland LLC	Timber				39,307,997	4	0.30%
The Lodge at Cedar Creek	Hotel				30,103,559	6	0.23%
ASPIRUS (Wausau)	Health care				27,998,483	7	0.21%
Wal-Mart Properties	Retail				25,178,328	9	0.19%
Totals		\$238,659,000		1.59%	\$347,711,711		2.66%
Northcentral Technical College Equalized Valuation (TID Out)		\$15,113,021,324			\$13,051,231,970		

Sources:

(1) R.W. Baird & Co., Inc.

(2) NTC Annual Financial Report - June 30, 2006

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, 2015	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$25,218,782	\$17,718,232	70.26%	\$7,500,550	\$25,218,782	100.00%
2007	26,453,295	18,279,627	69.10%	8,173,668	26,453,295	100.00%
2008	27,612,283	19,017,502	68.87%	8,594,781	27,612,283	100.00%
2009	28,825,835	19,483,735	67.59%	9,342,100	28,825,835	100.00%
2010	29,889,770	20,076,075	67.17%	9,813,695	29,889,770	100.00%
2011	30,356,734	20,389,319	67.17%	9,967,415	30,356,734	100.00%
2012	30,813,128	20,957,574	68.02%	9,855,554	30,813,128	100.00%
2013	30,098,272	20,661,950	68.65%	9,436,322	30,098,272	100.00%
2014	31,070,611	21,655,487	69.70%	9,415,124	31,070,611	100.00%
2015	18,408,799	12,899,921	70.07%	5,508,878	18,408,799	100.00%

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Obligation Debt										
General obligation notes	\$40,585,000	\$38,265,000	\$36,115,000	\$31,525,000	\$29,915,000	\$27,940,000	\$25,200,000	\$23,005,000	\$21,275,000	\$20,615,000
Debt service fund assets available	(1,852,626)	(1,496,700)	(1,109,910)	(1,345,396)	(1,191,976)	(1,059,175)	(1,013,297)	(924,962)	(838,553)	(1,153,308)
Net general obligation debt	\$38,732,374	\$36,768,300	\$35,005,090	\$30,179,604	\$28,723,024	\$26,880,825	\$24,186,703	\$22,080,038	\$20,436,447	\$19,461,692
Per capita	\$180.54	\$171.46	\$153.29	\$132.33	\$121.61	\$114.06	\$103.41	\$95.02	\$88.50	\$84.90
Per full-time equivalent student	\$11,304.10	\$9,942.48	\$9,309.12	\$8,073.51	\$7,474.31	\$7,279.06	\$7,637.34	\$7,481.72	\$7,487.52	\$7,505.76
Percent of equalized value	0.24%	0.24%	0.23%	0.19%	0.18%	0.16%	0.15%	0.14%	0.14%	0.14%
Percent of personal income	0.43%	0.42%	0.41%	0.36%	0.35%	0.34%	0.31%	0.28%	0.27%	0.27%
General Obligation and Other Debt										
General obligation notes	\$40,585,000	\$38,265,000	\$36,115,000	\$31,525,000	\$29,915,000	\$27,940,000	\$25,200,000	\$23,005,000	\$21,275,000	\$20,615,000
Plus deferred premium	675,454	607,005	554,005	339,765	247,128	125,301	80,834	66,887	75,672	65,811
Plus capital lease obligations			4,773	60,253	112,559	161,870	208,360			
General obligation and other debt	\$41,260,454	\$38,872,005	\$36,673,778	\$31,925,018	\$30,274,687	\$28,227,171	\$25,489,194	\$23,071,887	\$21,350,672	\$20,680,811
Per capita	\$192.33	\$181.27	\$160.59	\$139.98	\$128.17	\$119.78	\$108.98	\$99.29	\$92.46	\$90.21
Per full-time equivalent student	\$12,041.93	\$10,511.35	\$9,752.89	\$8,540.44	\$7,878.08	\$7,643.63	\$8,048.63	\$7,817.80	\$7,822.48	\$7,975.94
Percent of equalized value	0.26%	0.25%	0.24%	0.20%	0.19%	0.17%	0.16%	0.15%	0.15%	0.15%
Percent of personal income	0.46%	0.44%	0.43%	0.38%	0.37%	0.36%	0.33%	0.29%	0.28%	0.29%

Notes:

(1) Ratios using population and personal income are calculated based on the preceding calendar year.
See schedule of demographic statistics.

(2) Debt per student is calculated using full-time equivalent enrollment. See schedule of enrollment statistics.

Northcentral Technical College District

Computation of Direct and Overlapping Debt
Year Ended June 30, 2015

Name of Entity (1)	Net Debt Outstanding	Percent Applicable to District (2)	Outstanding Debt Applicable to District
Clark County	\$0	28.22 %	\$0
Langlade County	1,832,527	67.75	1,241,537
Lincoln County	10,580,000	48.77	5,159,866
Marathon County	9,445,000	96.63	9,126,704
Menominee County	1,321,090	100.00	1,321,090
Portage County	14,600,000	4.34	633,640
Price County	767,239	100.00	767,239
Shawano County	3,418,317	20.64	705,541
Taylor County	5,435,000	80.63	4,382,241
Waupaca County	34,970,000	0.77	269,269
Total Cities	78,080,798	100.00	78,080,798
Total Towns	10,585,384	Varies	9,461,052
Total Villages	50,406,425	100.00	50,406,425
Total School Districts	125,749,206	Varies	125,335,239
Total Sanitary Districts	1,489,991	100.00	1,489,991
Subtotal, overlapping debt			288,380,633
District direct debt			
General Obligation Notes			40,585,000
Deferred Premium			675,454
Total direct and overlapping debt			\$329,641,087
2014 equalized valuation - TID In			\$15,823,810,474
Direct, overlapping, and underlying indebtedness as a percentage of equalized valuation			2.08%
Population of District			214,532
Direct, overlapping, and underlying indebtedness - Per capita			\$1,537

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, 2015

Legal Debt Margin Calculation for Fiscal Year 2015

2014 Equalized Valuation - TID In	\$15,823,810,474
	x 5%
Total debt limit - 5% of equalized valuation	791,190,524
Debt applicable to limit:	
General obligation notes	\$40,585,000
Less: debt service funds available (GAAP Basis)	1,852,626
Total amount of debt applicable to debt limit	38,732,374
Legal total debt margin	\$752,458,150

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
2006	\$674,874,659	\$19,461,692	\$655,412,967	2.88%
2007	729,719,741	20,436,447	709,283,294	2.80%
2008	774,310,921	22,080,038	752,230,883	2.85%
2009	817,607,983	24,186,703	793,421,280	2.96%
2010	819,616,285	26,880,825	792,735,460	3.28%
2011	801,019,744	28,723,024	772,296,720	3.59%
2012	794,725,560	30,179,604	764,545,956	3.80%
2013	774,738,639	35,005,090	739,733,549	4.52%
2014	777,917,097	36,768,300	741,148,797	4.73%
2015	791,190,524	38,732,374	752,458,150	4.90%

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 2006 to 2015, 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
2006	229,244	132,697	30,565	21,471	4,633	16,066	19,917	\$7,171,559	\$35,114	\$30,174	\$30,476	\$21,339	\$29,549	\$26,729	4.0	5.3	6.4	7.7	4.7	5.7
2007	230,915	134,028	30,562	21,517	4,606	16,069	20,049	7,559,471	36,705	32,216	31,850	23,344	31,611	27,849	3.7	5.1	5.9	9.6	4.6	5.6
2008	232,373	135,190	30,681	21,680	4,630	16,088	20,065	7,835,181	37,546	33,282	34,321	24,208	33,405	28,845	5.4	7.6	8.1	10.4	7.0	8.3
2009	233,887	136,376	30,781	21,844	4,655	16,173	20,177	7,804,685	37,056	33,645	34,859	27,649	33,303	28,242	9.5	11.9	11.0	13.5	11.3	12.1
2010	235,667	134,063	28,743	19,977	4,232	14,159	20,689	7,808,316	36,976	33,330	34,703	28,183	34,159	29,059	7.8	10.1	10.1	15.3	9.4	9.2
2011	236,199	134,414	28,668	19,901	4,202	14,000	20,681	8,105,463	38,366	34,635	36,086	28,132	35,218	30,054	6.8	8.4	9.1	14.2	7.6	7.9
2012	228,061	134,524	28,856	19,880	4,214	14,055	20,697	8,429,702	39,829	35,593	38,335	30,056	37,407	31,507	6.6	8.5	8.6	15.1	7.1	6.7
2013	228,363	134,679	29,134	19,835	4,221	14,117	20,720	8,611,344	40,454	36,564	39,397	30,567	38,287	31,678	5.7	7.5	8.1	13.4	6.1	6.7
2014	214,440	134,803	28,816	19,847	4,236	14,155	20,733	8,797,120	41,089	37,561	40,488	31,087	39,188	31,850	4.1	5.5	6.5	10.6	4.5	5.4
2015	214,532	135,341	28,835	19,907	4,224	14,133	20,715	8,987,130	41,734	38,586	41,610	31,615	40,110	32,023	4.3	5.1	6.5	11.2	4.7	4.0

Notes:

- (1) Marathon, Lincoln, and Taylor Counties are the most populous counties in the District. The District includes almost all of the above six (6) counties and parts of four (4) other counties. These six counties comprise over 91% of the District's total equalized valuation.
- (2) Source: Wisconsin Department of Administration, Demographic Services Center (including 2010 Census).
- (3) Source: Wisconsin Technical College System (based on Wisconsin Department of Administration Final Population Estimates.)
- (4) Source: US Department of Commerce, Bureau of Economic Analysis.
*Figures for 2014 and 2015 are estimates based on the rate of change from 2012 to 2013, subject to future revision.
- (5) Source: US Department of Commerce, Bureau of Economic Analysis. Total includes Marathon, Lincoln, Langlade, Menominee, Price, and Taylor counties only. Amounts in thousands.
*Figures for 2014 and 2015 are estimates based on the rate of change from 2012 to 2013, subject to future revision.
- (6) Source: Wisconsin Department of Workforce Development. 2015 Unemployment rates are through June 30, 2015.

Northcentral Technical College District

Principal Employers

Current Year and Nine Years Ago

Name of Business	County	Type of Business	Year Ended June 30, 2015 (1)			Year Ended June 30, 2006 (2)		
			Number of Employees	Rank	Percent of District Population	Number of Employees	Rank	Percent of District Population
Kolbe & Kolbe Millwork	Marathon	Manufacturer of windows/doors	1,400	1	0.65 %	1,685	4	0.74 %
Wausau School District	Marathon	Education	1,300	2	0.61	1,325	7	0.58
Sheet Metal Workers Local 565	Marathon	Labor organization	1,300	3	0.61			
UMR (United Healthcare services)	Marathon	Insurance	1,300	4	0.61			
Wausau Insurance/Liberty Mutual	Marathon	Insurance	1,205	5	0.56	1,250	8	0.55
Marathon Cheese Corporation	Marathon	Cheese packaging	1,050	6	0.49	1,139	11	0.50
ASPIRUS Hospital (Wausau only)	Marathon	Hospital	1,001	7	0.47	3,223	1	1.41
Marathon Electric Motors	Marathon	Electric motor manufacturer	1,000	8	0.47			
North Central Health Care	Marathon	Medical hospital	999	9	0.47			
Marshfield Clinic	Marathon	Health care	885	10	0.41			
Harley Davidson Motor Co.	Lincoln	Manufacturer of motor cycles	840	11	0.39			
Hurd Windows & Doors, Inc.	Taylor	Manufacturer of windows/doors	730	12	0.34	420	20	0.18
Wisconsin Physicians Services	Price	Medical services	630	13	0.29			
Nestle Pizza Corporation (formerly Kraft Pizza Co.)	Taylor	Manufacturer of frozen pizza	600	14	0.28	573	12	0.25
Memorial Health Center Inc.	Taylor	Health care	600	15	0.28	541	14	0.24
Foster & Smith Inc.	Lincoln	Veterinary care services provider	600	16	0.28			
Expera Specialty Solutions	Lincoln	Paper manufacturer	521	17	0.24			
Marquip Ward United	Price	Manufacturer of industrial equipment products	500	18	0.23			
Allergy-Clinical Immunology	Price	Manufacturer of lights and decorations	500	19	0.23			
Packaging Corporation of America	Lincoln	Paper mill/manufacturer of corrugated medium	500	20	0.23	500	17	0.22
ASPIRUS Clinic (Wausau)	Marathon	Health care				2,325	2	1.01
Eastbay	Marathon	Sporting goods retail/distribution				1,823	3	0.80
Weathershield Manufacturing Inc.	Taylor	Manufacturer of windows/doors				1,509	5	0.66
Greenheck Fan Corporation	Marathon	Manufacturer of industrial fans				1,403	6	0.61
Peachtree Companies (SNE Enterprises Inc.)	Marathon	Manufacturer of windows/doors				1,200	9	0.52
Wausau-Mosinee Paper Corporation	Marathon	Manufacturer of paper products				1,150	10	0.50
Marathon Cheese Corporation	Taylor	Cheese packaging				572	13	0.25
Church Mutual Insurance Company	Lincoln	Insurance				500	15	0.22
Lincoln Wood Products	Lincoln	Manufacturer of windows/doors				500	16	0.22
Hurd Windows & Doors, Inc.	Lincoln	Manufacturer of windows/doors				480	18	0.21
Merrill Area Common Public School District	Lincoln	Education				425	19	0.19
Total			17,461		8.14 %	22,543		9.86 %

Notes:

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

(2) Source: NTC Annual Financial Report - June 30, 2006.

Northcentral Technical College District

Full-Time Employees by Equal Employment Opportunity Classification Last Ten Fiscal Years

	Full-Time Employees as of June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>District Totals:</u>										
Executive/Administrative/Managerial	61	72	68	69	64	61	57	53	44	42
Faculty	129	121	124	134	147	152	142	161	158	156
Secretarial/Clerical	50	44	50	66	73	79	62	83	71	70
Professional Nonfaculty	36	22	17	21	27	32	22	32	38	49
Technical/Paraprofessional	52	46	46	53	53	44	44	48	42	28
Skilled Craft	9	7	8	7	7	7	7	8	7	8
Service/Maintenance	4	6	6	8	16	12	7	17	19	17
District Total	341	318	319	358	387	387	341	402	379	370

Sources:

2013-2015 NTC Human Resources Office

2006-2012 WTCS State Office

Northcentral Technical College District

Enrollment Statistics Historical Comparisons Last Ten Fiscal Years

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Student enrollment:										
Associate degree	20,569	21,277	21,848	24,554	31,250	33,672	32,702	33,364	33,582	32,733
Vocational:										
Diploma	3,191	3,650	3,974	4,499	4,115	4,497	4,254	4,656	3,353	3,133
Adult	13,472	15,818	20,782	17,202	14,870	12,914	12,181	14,126	11,606	12,250
Basic education	12,170	12,795	15,837	16,706	17,047	16,031	15,638	14,993	16,005	12,217
Total duplicated	49,402	53,540	62,441	62,961	67,282	67,114	64,775	67,139	64,546	60,333
Total unduplicated (A)	22,275	24,374	27,081	27,060	27,039	25,712	24,745	26,466	24,766	23,958
Full-time equivalent (B):										
Associate degree	1,736.4	1,809.9	1,904.0	2,089.6	2,652.8	2,844.2	2,790.2	2,762.9	2,775.8	2,658.2
Vocational:										
Diploma	263.7	298.6	324.0	355.7	330.4	360.0	354.0	399.9	289.9	244.9
Adult	132.0	150.8	172.2	150.3	134.4	111.8	104.4	105.2	111.0	113.2
Basic education	460.8	470.1	551.0	571.3	575.3	526.9	489.5	492.3	521.4	409.9
Total unduplicated	2,592.9	2,729.4	2,951.2	3,166.9	3,692.9	3,842.9	3,738.1	3,760.3	3,698.1	3,426.2

Notes:

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

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

Northcentral Technical College District

Operational Expenditures Per Full-Time Equivalent (FTE) Student Last Ten Fiscal Years

Year Ended June 30,	<u>Operational Expenditures (1)</u>		<u>Student Enrollments</u>		<u>Operational Expenditures per FTE</u>	
	Amount	Percent Increase (Decrease)	FTE's	Percent Increase (Decrease)	Per FTE	Percent Increase (Decrease)
2006	\$35,680,971	1.89	2,593	(4.03)	\$13,760	6.17
2007	36,186,375	1.42	2,729	5.24	13,260	(3.63)
2008	38,878,049	7.44	2,951	8.13	13,175	(0.64)
2009	42,495,448	9.30	3,167	7.32	13,418	1.84
2010	43,341,038	1.99	3,693	16.61	11,736	(12.54)
2011	45,469,121	4.91	3,843	4.06	11,832	0.82
2012	44,268,468	(2.64)	3,738	(2.73)	11,843	0.09
2013	44,181,017	(0.20)	3,760	0.59	11,750	(0.79)
2014	46,724,796	5.76	3,698	(1.65)	12,635	7.53
2015	48,772,680	4.38	3,426	(7.36)	14,236	12.67

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
2004-2005	1275	884	827	94%	79%	67%	\$2,558
2005-2006	1285	965	840	94%	79%	70%	2,491
2006-2007	1316	950	736	94%	77%	68%	2,565
2007-2008	1237	920	734	90%	78%	67%	2,708
2008-2009	1329	892	724	85%	76%	66%	2,875
2009-2010	1461	968	709	87%	70%	67%	2,813
2010-2011	1676	1113	889	89%	68%	64%	2,776
2011-2012	1562	1170	972	86%	69%	61%	2,667
2012-2013	1577	1211	963	86%	74%	67%	2,721
2013-2014	1548	1134	709	93%	79%	65%	2,895

Notes:

(1) Based on a survey of NTC graduates conducted approximately six months after graduation; therefore, 2014-2015 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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
NTC - Wausau:										
Main building	325,519	325,519	324,139	324,139	307,723	307,723	307,723	307,723	307,723	307,723
Chairs and Cares House	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000		
Workplace Learning Building	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000		
Center for Health Sciences	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000
Sub-Total	475,519	475,519	474,139	474,139	457,723	457,723	457,723	457,723	438,723	438,723
NTC - Antigo Campus	71,502	71,502	71,502	71,502	71,502	45,357	45,357	45,357	45,357	45,357
NTC - Phillips Campus	29,600	29,600	17,500	17,500	17,500	17,500	12,500	5,306	5,306	
NTC - Spencer Campus	9,600	9,600	9,600	9,600	9,600	8,400				
NTC - Merrill Campus	11,650	11,650	10,899	10,899	4,488	9,488	9,488	9,488	9,488	9,488
NTC - Wittenberg Campus	1,631									
Agriculture Center of Excellence	28,835	22,633	22,633	22,633						
Sub-Total	152,818	144,985	132,134	132,134	103,090	80,745	67,345	60,151	60,151	54,845
Other (leased):										
NTC - Phillips Campus										5,306
NTC - Medford Campus	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
NTC - Spencer Campus							7,500	7,500	7,500	7,500
NTC - Wittenberg Campus		9,600	9,600	9,600	9,600	9,600	9,600	9,600	6,211	6,211
Diesel Building	9,000									
Alternative High School Building	6,000									
Sub-Total	27,500	22,100	22,100	22,100	22,100	22,100	29,600	29,600	26,211	31,517
Total square footage	655,837	642,604	628,373	628,373	582,913	560,568	554,668	547,474	525,085	525,085

Source: NTC Office of Facilities Administrator.

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

SINGLE AUDIT SECTION

YEARS ENDED 2015 & 2014
COMPREHENSIVE
ANNUAL FINANCIAL REPORT



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

District Board
Northcentral Technical College District
Wausau, Wisconsin

We have audited, in accordance with the 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, which comprise the statement of financial position as of June 30, 2015, and the related statements of revenues, expenses, and changes in net position and cash flows for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") to determine the auditing 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 the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Wipfli LLP

November 19, 2015
Rhineland, Wisconsin

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

District Board
Northcentral Technical College District
Wausau, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Northcentral Technical College District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015. 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 of the District is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. 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

November 19, 2015
Rhineland, Wisconsin

Northcentral Technical College District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2015

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 not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
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 Circular A-133, Section .510(a)?	No

Identification of federal major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.002	Adult Education - State Administered Student Financial Aid Cluster
84.007	Supplemental Educational Opportunity Grants
84.032	Family Education Loan Program
84.033	Work Study Program
84.063	Pell Grant
84.048	Career and Technical Education - Basic Grants to States

Northcentral Technical College District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2015

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

Federal Awards (Continued)

Dollar threshold used to distinguish between
Type A and Type B programs \$300,000

Auditee qualified as low-risk auditee? Yes

State Awards

Internal control over major programs:
Material weakness(es) identified? No
Significant deficiency(ies) identified
not considered to be material weakness(es)? None reported

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 *State Single
Audit Guidelines*? No

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program</u>
235.102	Higher Education Grant
235.107	Minority Retention Grant
235.108	Wisconsin Covenant Scholars Grant
235.109	Academic Excellence Scholarship
235.112	Handicapped Assistance Grant
235.114	Talent Incentive Program
235.117	Nursing Student Loan
235.131	Wisconsin Covenant Foundation
235.132	Indian Grant
292.105	State Aids for Vocational, Technical, and Adult Education
292.112	Incentive Grants
292.116	Workforce Advancement Training Grant Program
292.124	Apprentice Related Instruction
445.107	Local Youth Apprenticeship
445.109	Wisconsin Fast Forward

Dollar threshold used to distinguish between
Type A and Type B programs \$100,000

Auditee qualified as low-risk auditee? Yes

Northcentral Technical College District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2015

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 OMB Circular A-133 or *State Single Audit Guidelines*.

Section IV - Prior Year Findings and Questioned Costs

There were no findings in the prior year required to be reported in accordance with OMB Circular A-133 or *State Single Audit Guidelines*.

Section V - Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

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

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

Northcentral Technical College District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2015

Section V - Other Issues (Continued)

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

Yes

Name and signature of partner

Randall H. Beard

Randall H. Beard, CPA

Date of report

November 19, 2015



Northcentral
TECHNICAL COLLEGE

2016

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**



**YEARS ENDED
JUNE 30, 2016 & 2015**

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

Northcentral Technical College District

Comprehensive Annual Financial Report

Years Ended June 30, 2016 and 2015

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Northcentral Technical College District

Comprehensive Annual Financial Report

Years Ended June 30, 2016 and 2015

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Introductory Section

January 10, 2017

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

The Comprehensive Annual Financial Report (CAFR) for Northcentral Technical College District ("NTC" or the "College") for the fiscal year ended June 30, 2016, 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, 2016. In addition to meeting legal reporting requirements, this report is intended to present a comprehensive summary of the significant financial data of the College in a readable format to meet the varying needs of the District's citizens, taxpayers, students, employees, financial institutions, intergovernmental agencies, and Wisconsin Technical College System.

NTC is required to undergo an annual single audit in conformity with the provisions of 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 Department of Administration publication, *State Single Audit Guidelines*. Information related to the requirements and compliance with this single audit can be found in the single audit section of this report.

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

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

Vision

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

Mission

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

Community Benefit Statements

Northcentral Technical College benefits communities throughout its District.

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

Core Beliefs/Values

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

Learner Focus

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

Continuous Improvement

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

Ingenuity

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

Access

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

Service to Community

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

Vision, Mission, Community Benefit Statements, and Core Beliefs/Values (Continued)

Core Beliefs/Values (Continued)

Diversity

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

Culture of Professionalism

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

Advocacy

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

Profile of the NTC District

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

The College currently offers over 185 associate degree programs, technical diplomas and short-term certificate options, with many credits transferring to Wisconsin's four-year public and private colleges, creating a seamless path for lifelong learning. Through a variety of flexible course options (www.ntc.edu/flex), NTC is providing an additional opportunity for learners to receive a degree or certification through flexible learning opportunities including late starts, Virtual College and Winterim courses. Additional services include programming in English Language Learning, Adult Basic Education, and HSED/GED, as well as an Academic Resource Center and College Prep Center.

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

Economic Condition

Local Economy

Much of north central Wisconsin is in alignment with the overall statewide unemployment rate, which is lower than the national unemployment rate and the lowest rate(s) since February 2001. For September 2016, only three counties in the NTC District - Langlade, Lincoln and Menominee - are experiencing unemployment rates at or above the state rate of 3.5 percent. Menominee County is experiencing the highest rate in the state at 6.6 percent.

Economic Condition (Continued)

State Economy

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

Financial Policies

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

Internal Controls

Management of the College is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the government are protected from loss, theft, or misuse, and to ensure the reliability of financial and accounting records to allow for the preparation of financial statements in 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.

Financial Policies (Continued)

Long-Term Financial Planning and Budgeting (Continued)

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, 2016. 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

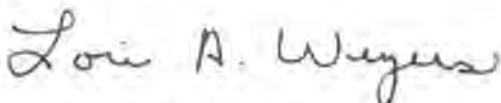
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northcentral Technical College for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the 20th consecutive year that NTC has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

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

Acknowledgment

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

Respectfully submitted,



Dr. Lori A. Weyers
President



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

Northcentral Technical College District

Wausau, Wisconsin

Comprehensive Annual Financial Report

For the Year Ended June 30, 2016

MEMBERS OF THE BOARD



Maria Volpe
Chairperson



Tom Felch
Vice Chairperson



Dr. Kristine Gilmore
Secretary/Treasurer



Doug Faragher
Member



Lee Lo
Member



Douglas Moquin
Member



Paul Proulx
Member



Ruth Risley-Gray
Member



Dale Smith
Member

Executive Leadership Team

Dr. Lori A. Weyers, President; Dr. Jeannie Worden, Vice President of Student Services; Dr. Vicki Jeppesen, Vice President of College Advancement; Dr. Shelly Mondeik, Vice President for Learning; Roxanne Lutgen, Vice President of Finance and Chief Financial Officer; Dr. Karen Brzezinski, Director of Human Resources; Chet Strebe, Chief Information Officer; Rob Elliott, Director of Facilities; Katie Felch, Director of Marketing and Public Relations

Report Prepared By

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

Stefanie Ganser, Controller

Sara Melk, College Advancement Accountant

**Northcentral Technical College District
Board Members**

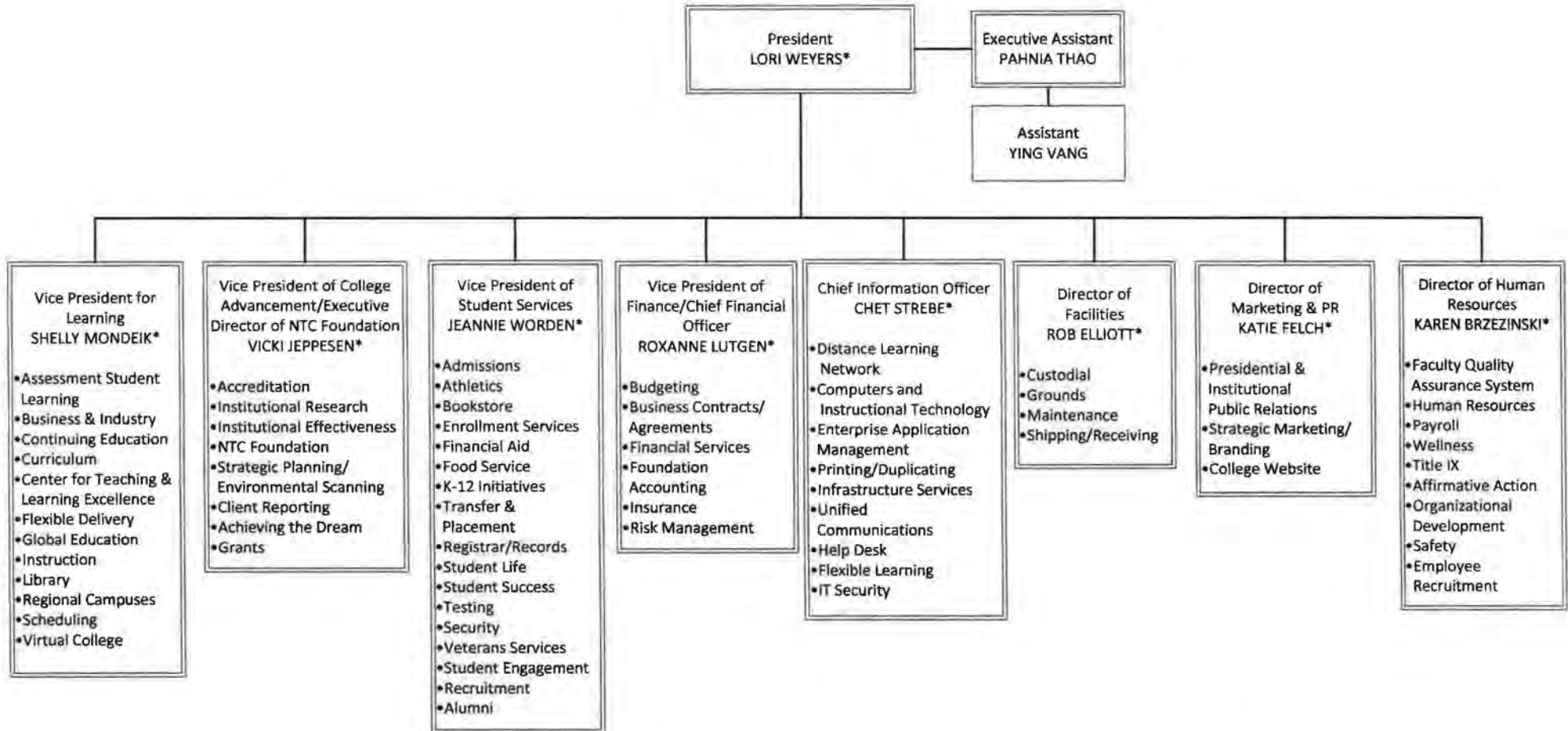
June 30, 2016

<u>Member Board Member</u>	<u>Category</u>	<u>Term Expires</u>	<u>Employer</u>
Maria Volpe <i>Chairperson</i>	Employee Member	6/30/19	Corporate Trainer, Church Mutual Insurance Company
Tom Felch <i>Vice Chairperson</i>	Employer Member	6/30/17	President, J&D Tube Benders, Inc.
Dr. Kristine Gilmore <i>Secretary/Treasurer</i>	School District Administrator	6/30/18	Superintendent, D.C. Everest Area School District
Douglas Faragher	Employer Member	6/30/19	President, Amron "A Division of AMTEC Corp."
Lee Lo	Additional Member	6/30/19	Administrator and Owner, Compassion Personal Home Care
Douglas Moquin	Additional Member	6/30/17	Consultant
Paul Proulx	Employer Member	6/30/17	Owner, Proulx's Professional Services
Ruth Risley-Gray	Employer Member	6/30/18	SVP System CNO, Aspirus
Dale Smith	Employee Member	6/30/18	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 four (4) Employer members; two (2) Employee members; two (2) Additional members; and one (1) School District Administrator. An appointment committee, consisting of the chair of each of the ten (10) counties wholly or partly in the District, makes the board member appointments. Members of the board take office on July 1 and serve staggered three-year terms.

Section 30.08, Wis. Stats.

NORTHCENTRAL TECHNICAL COLLEGE ORGANIZATIONAL CHART



* The President's Executive Leadership Team (ELT)
7/22/2016



Northcentral
TECHNICAL COLLEGE

NTC District



Antigo

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

Medford

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

Merrill

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

Phillips

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

Spencer

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

Wausau

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

Wittenberg

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



For more location
information visit
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**Northcentral Technical College District
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Financial Section

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, 2016 and 2015, 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 an opinion 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 opinion.

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, 2016 and 2015, 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 GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Our opinions are not modified with respect to the matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 14 through 23, the schedule of funding progress - other post-employment benefit plans and the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System on pages 56 and 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were 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 *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, and are also not a required part of the basic financial statements. The budgetary comparison schedules and schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The budgetary comparison schedules and the accompanying schedules of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the budgetary comparison schedules and the accompanying schedules of expenditures of federal state awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Wipfli LLP

December 27, 2016
Rhinelander, Wisconsin

Northcentral Technical College District

Management's Discussion and Analysis

Year Ended June 30, 2016

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 positions, and assists the reader of these financial statements in focusing on noteworthy financial issues for the years ended June 30, 2016 and 2015.

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

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

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during the year. Activities performed by the College are classified as either operating or non-operating 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 non-operating 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:

	2016	Increase or (Decrease) %	2015	Increase or (Decrease) %	2014
Operating revenues:					
Student fees	\$5,872,637	13.5	\$5,173,622	(2.3)	\$5,295,342
Federal grants	10,358,425	(8.2)	11,282,402	(3.8)	11,727,859
State grants	5,336,002	8.3	4,926,646	78.9	2,753,170
Contract revenues	2,956,613	3.9	2,846,346	19.5	2,382,402
Auxiliary revenues	3,041,570	(6.6)	3,255,858	(8.8)	3,570,585
Miscellaneous	849,434	(28.8)	1,192,697	(9.3)	1,315,374
Total operating revenues	28,414,681	(0.9)	28,677,571	6.0	27,044,732
Nonoperating revenues:					
Property taxes	19,233,396	4.2	18,457,033	(40.6)	31,075,521
State appropriations	18,968,541	(1.1)	19,177,118	270.6	5,174,400
Investment income	88,442	17.1	75,530	(39.2)	124,243
Total nonoperating revenues	38,290,379	1.5	37,709,681	3.7	36,374,164
Total revenues	66,705,060	0.5	66,387,252	4.7	63,418,896
Operating expenses:					
Instruction	31,222,473	0.3	31,142,075	3.3	30,151,286
Instructional resources	1,826,568	9.2	1,673,428	12.9	1,482,282
Student services	4,164,310	(0.6)	4,191,157	1.5	4,129,864
General institutional	12,217,745	12.2	10,890,678	8.6	10,027,128
Physical plant	4,280,141	(10.2)	4,767,258	(3.3)	4,931,756
Auxiliary enterprise services	3,472,975	2.5	3,389,300	0.2	3,382,427
Public service					45,415
Depreciation	7,494,047	20.2	6,234,479	(5.0)	6,562,946
Student aid	2,659,220	(11.5)	3,003,411	(16.0)	3,576,225
Total operating expenses	67,337,479	3.1	65,291,786	1.6	64,289,329
Nonoperating expenses:					
Loss on disposal of capital assets	16,649	100.0			
Interest expense	461,430	1.5	454,482	(7.1)	489,114
Transfer of capital assets to Wausau Community Area Network			1,593,733		
Total nonoperating expenses	478,079	(76.7)	2,048,215	318.8	489,114
Total expenses	67,815,558	0.7	67,340,001	4.0	64,778,443
Decrease in net position	(1,110,498)	(41.1)	(952,749)	(41.1)	(1,359,547)
Net position - Beginning of the year	65,177,655		58,190,756		59,550,303
Cumulative effect of accounting change*	(5,767,906)		7,939,648		
Net position - End of the year	\$58,299,251		\$65,177,655		\$58,190,756

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

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

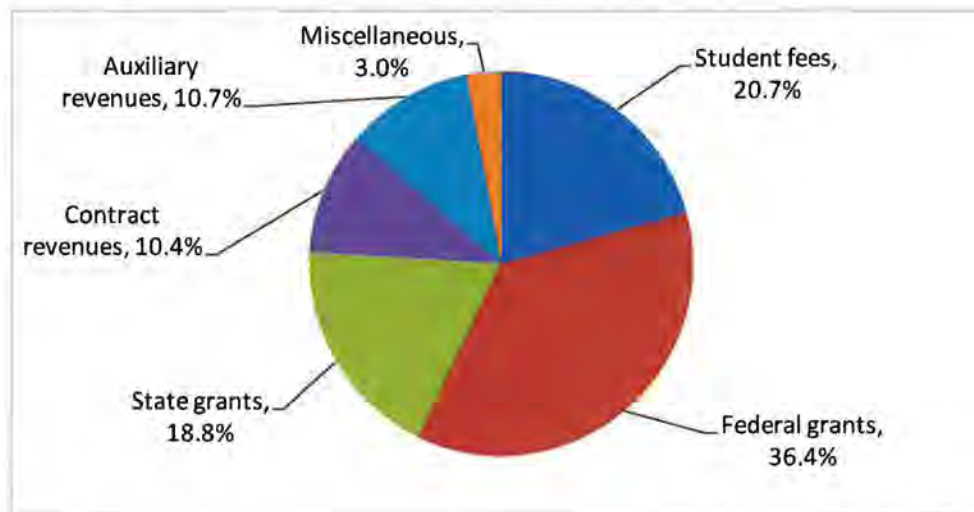
Some of the most noteworthy results of operations for the current year are reflected below:

Operating revenues are the charges for services offered by the College. During 2016, the College generated \$28.4 million of operating revenues for the offering of services, down 0.9% from 2015 (\$28.7 million), which was up 6.0% from 2014 (\$27 million). Significant items and revenue sources are as follows:

- Student fees increased to \$5.9 million in fiscal year 2015-2016, compared to \$5.2 million in 2015 and \$5.3 million in 2014. Total revenues from program, material, and other student fees were approximately \$10.9 million, down 6.0% before scholarship allowances.
- Nearly \$15.7 million in operating revenues from state and federal grants were earned by the District during the year, compared to \$16.2 million in 2015 and \$14.5 million in 2014. The fluctuation in federal revenue, an 8.2% reduction in 2016 was due to reductions in Federal grant funding, including Federal financial aid, primarily Pell grant and Stafford loan dollars. The 8.3% increase in state revenue in 2016 was due to changes in state funding, including increased Wisconsin Department of Workforce Development Direct Program funding, which included Wisconsin Fast Forward Blueprint for Prosperity funding supporting the areas of manufacturing and information technology.
- Contract revenues of nearly \$3.0 million for the year represent revenues from instructional and technical assistance contracts with businesses and industries as well as local school districts. The 3.9% increase in contract revenues represents additional customized instruction and dual credit contracts over the prior year.
- Auxiliary enterprise revenues include revenues generated by the bookstore, food service, dental clinic, self-funded insurances, and other similar activities of the College. These activities generated revenues of approximately \$3.0 million this year, a decrease of 6.6% from the prior year.
- Miscellaneous revenue decreased 28.8% in 2016 to nearly \$850,000. This fluctuation in miscellaneous revenue from 2015 to 2016 resulted from a \$350,000 decline in donation revenue for both operations and capital projects.

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

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

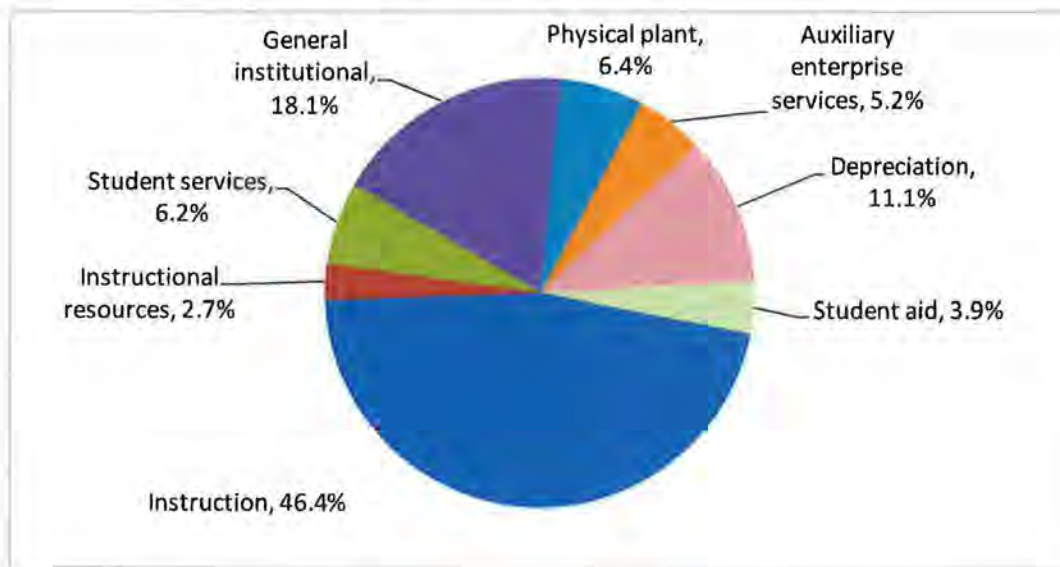


Operating expenses are costs related to offering the programs of the District. During 2016, operating expenses totaled over \$67 million, up from \$65 million in 2015. The majority of the District's expenses, about 62%, are for personnel-related costs. Other major types of expenses include supplies and minor equipment (13%), depreciation (11%), and student aid (4%). Expenses such as travel, printing, advertising, repairs and maintenance, contracted services, rentals, insurance, utilities, and other expenses account for the remaining 10% of total operating expenses. (See Note 13 to the Financial Statements for details.)

- Salaries increased \$115,019 or 0.4% in 2016 and \$874,671 or 3% in 2015.
- Employee benefit expenses increased by \$98,795 or 0.9% in 2016 and increased \$1,219,714 or 11.3% in 2015.
- NTC is experiencing increased costs related to travel, memberships and subscriptions, supplies and minor equipment, contracted services, insurance, and depreciation.
- NTC saw a decrease in costs related to postage, printing and advertising, repairs and maintenance, rentals, utilities, and student aid.
- Student financial aid awards (excluding student loans) decreased 6% in 2016, most of which was due to a decrease in grants available/awarded; student financial aid awards (excluding student loans) decreased 4% in 2015, also due to a decrease in grants available/awarded.

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

The graph below categorizes operating expenses by function.



Non-operating revenues and expenses are items not directly related to providing instruction. Net non-operating revenues for the year ended June 30, 2016, were approximately \$38.3 million. The most significant components of net non-operating revenues include the following:

- Property taxes levied by the District for the year were approximately \$19.2 million, a 4.2% or \$776,363 increase from the prior fiscal year, due to property taxes levied for net new construction and for retirement of debt. The prior year decrease of 40.6% was due to a change in Wisconsin State Statutes providing a dollar-for-dollar reduction in property tax with an increase in state aid funding.
- State operating appropriations accounted for approximately \$19 million in revenues in 2016, down from \$19.2 million in 2015, which had increased from \$5.2 million in 2014. In 2016, NTC experienced a decrease in state appropriations due to a slight decrease in student full-time equivalents. NTC saw a decrease in property taxes levied during 2015, which resulted in an increase in state appropriations.
- Investment income was up 17.1% or \$12,912 during 2016. Investment income saw a decline of 39.2%, amounting to \$48,713 during 2015.
- Interest expense of \$461,430 was recorded by the District this year, up 1.5% from \$454,482 in 2015, which decreased 7.1% from \$489,114 in 2014.
- Net position at June 30, 2016, was \$58,299,251 as a result of the above activity and the cumulative effect of accounting change for implementation of GASB 75 (See Note 14 to the Financial Statements on Page 55).

Statement of Cash Flows

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

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

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

	2016	Increase or (Decrease) %	2015	Increase or (Decrease) %	2014
Cash used in operating activities	(\$30,652,176)	0.6	(\$30,463,806)	2.3	(\$29,784,354)
Cash provided by noncapital financing activities	38,078,037	(8.3)	41,540,397	14.5	36,271,119
Cash used in capital and related financing activities	(2,360,618)	(71.0)	(8,137,834)	(10.1)	(9,054,483)
Cash provided by (used in) investing activities	88,442	(98.4)	5,605,734	(4689.4)	(122,144)
Net increase (decrease) in cash and cash equivalents	<u>\$5,153,685</u>		<u>\$8,544,491</u>		<u>(\$2,689,862)</u>

- The largest component of cash used in operating activities is typically payments to suppliers for the cost of doing business. Approximately \$30 million was paid in 2016, as compared to \$28.6 million in 2015, and \$30.2 million in 2014.
- Another significant component of operating cash flows was payments to employees. This cash outflow of \$29.5 million represents the costs of salaries/wages and benefits (\$29 million in 2015 and \$27.5 million in 2014).
- The largest cash inflows from operating activities included over \$5.7 million in student fees and \$16.1 million in state and federal grants, as compared to \$5.1 million and \$15 million, respectively in 2015, and \$5.4 million and \$14.8 million, respectively in 2014.
- All property taxes received, almost \$19.1 million this year, are categorized as cash flows from noncapital financing activities (\$22.4 million in 2015 and \$31.1 million in 2014). The other major item in this category is state appropriations, which accounted for \$19 million of positive cash flow (\$19.2 million in 2015 and \$5.2 million in 2014).
- Investment income is interest received on the District's investments.
- Overall, the District's cash had an increase of \$5,153,685 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:

	2016	Increase or (Decrease) %	2015	Increase or (Decrease) %	2014
Assets:					
Cash and cash equivalents, including restricted	\$38,943,139	15.25	\$33,789,454	33.85	\$25,244,963
Restricted investments				(100.00)	5,530,204
Net capital assets	59,961,950	1.00	59,367,949	2.41	57,971,749
Other assets	9,803,198	(33.31)	14,699,144	12.75	13,036,885
Total assets	\$108,708,287	0.79	\$107,856,547	5.97	\$101,783,801
Deferred outflows of resources	\$16,175,049		\$3,652,908		
Liabilities:					
Current liabilities	\$15,463,385	21.59	\$12,717,382	4.24	\$12,200,390
Noncurrent liabilities	44,896,113	33.71	33,578,184	6.96	31,392,655
Total liabilities	\$60,359,498	30.38	\$46,295,566	6.20	\$43,593,045
Deferred inflows of resources	\$6,224,587	17,079	\$36,234		\$0
Net position:					
Net investment in capital assets	\$28,497,678	(1.87)	\$29,039,852	(2.38)	\$29,746,802
Restricted:					
Pension benefit		100.00	4,402,643		
Debt service	11,161,982	10.28	10,121,109	9.25	9,264,121
Unrestricted	18,639,591	(13.76)	21,614,051	12.69	19,179,833
Total net position	\$58,299,251	(10.55)	\$65,177,655	12.01	\$58,190,756

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, 2016, was approximately \$111.4 million and \$51.5 million, respectively. Capital assets at June 30, 2015, were \$106.2 million, with \$46.8 million accumulated depreciation and capital assets at June 30, 2014, were \$101.6 million, with accumulated depreciation of \$43.6 million.
- The other assets category is primarily made up of various accounts receivable balances, the largest being property taxes receivable of over \$5.6 million (\$5.5 million in 2015 and \$9.4 million in 2014).
- Current liabilities include accounts payable, various types of accruals, and the portion of long-term debt due within the next fiscal year. At year-end, the current portion of the District's long-term debt was just over \$10.9 million, as compared to \$8.1 million in 2015 and \$7.7 million in 2014.
- Noncurrent liabilities represent the portion of long-term debt due after fiscal year 2015-2016.

Capital Assets and Debt Administration

The District's investment in capital assets as of June 30, 2016, amounts to \$59,961,950 (net of accumulated depreciation). This includes land and land improvements, buildings and improvements, and moveable equipment.

The District completed several facilities-related projects at the Wausau and regional campuses during fiscal year 2015-2016. General maintenance projects totaled approximately \$100,000 and encompassed small remodeling projects such as ceiling tile replacement, drywall, carpeting, lighting, door replacement, and painting. Major site improvements at the Wausau campus included sidewalk and other concrete replacement, \$55,550; H Building concrete slab, \$37,700; campus parking lot improvements, \$49,600; Agriculture Center of Excellence site improvements, \$180,000; and painting in the Center for Health Sciences first floor, dental lab, and main entrance areas, \$21,500.

Other remodeling projects completed on the Wausau campus included the Machine Tool Lab addition, \$533,000; Administration and Marketing offices, \$52,000; Educational Support Services, \$60,000; Graphics Lab, \$697,000; H Building Maintenance Upgrades, \$172,000; A Building Staircase, \$34,000; On-site Health Clinic, \$46,000; Smart Classrooms renovations, \$29,000; and the Body Donor Lab in the Center for Health Sciences, \$225,000. The Body Donor Lab is utilized by the Medical College of Wisconsin, as well as by NTC students, and was funded, in part, by a \$200,000 donation from Aspirus. In addition, NTC added basketball and volleyball courts to the courtyard of the main campus in Wausau for \$81,000.

At the Agriculture Center of Excellence, NTC installed new marquee signage for approximately \$41,000, and purchased a previously leased mobile classroom for \$68,000. In Wittenberg, NTC terminated a building lease, and purchased a new Wittenberg Campus building for an overall cost of \$442,500.

Capital Assets and Debt Administration (Continued)

Improvements at other regional campuses included Smart Classroom remodeling at the Antigo Campus for \$44,500, and the Spencer Campus for \$23,000. At the Merrill Public Safety Center of Excellence, NTC completed the Café Building Addition for \$69,000, along with additional general improvements for \$18,000.

Overall, the College spent \$118,000 on general furnishings. Safety and security of College students, staff, faculty, and administrators is an ongoing focus; therefore, the scope of several campus projects included security camera installations. In addition to inclusions within specific campus projects, NTC added cameras and other security-related equipment at a cost of approximately \$23,000, approximately \$2,715,000 on hardware, software, servers, data cabling, consulting, and other IT-related items, and nearly \$618,000 on additional HD Videoconferencing and Smart Classrooms throughout the district. Approximately \$1,358,000 was spent on general instructional-related equipment and another \$535,000 was spent on instructional equipment for multiple areas, funded by various grants.

At fiscal year-end, NTC had several remodeling projects in progress, including the Main Entrance/Community Room Addition, remodeling of Continuous Improvement/Finance/IT, Student Success/Security, Campus Store, Culinary Arts, Simulation Center, Student Life, Alternative High School, Merrill Tactical Safety Range Addition, Antigo North Parking Improvements, and the H Building Roof Replacement. Other projects in progress at end of year are implementation of PeopleSoft Mobile Software, and the purchase of Bookstore Fixtures. Construction in Progress at fiscal year-end totaled approximately \$2,267,000. Additional information on the District's capital assets can be found in Note 4 of the notes to the financial statements.

At the end of the 2016 fiscal year, the District had a total general obligation debt outstanding of \$45,450,000. The District bonds have a Moody's Investors Service rating of Aa1 and the District met all of its debt service requirements. All general obligation debt for equipment and building and remodeling is repaid in ten years. The debt is secured by the full faith and credit of the unlimited taxing powers of the Districts. The current debt adequately replaces and expands the equipment and facility needs of the Districts. Additional information on the District's long-term debt can be found in Note 5 of the notes to the financial statements.

Financial Position

In May 2005, the District's bond rating assigned by Moody's Investors Service was upgraded from Aa3 to Aa2 on total outstanding debt. In May 2006 through May 2009 this Aa2 rating was reaffirmed. In May 2010, this rating was re-calibrated by Moody's Investors Service to Aa1. This Aa1 rating was reaffirmed in May 2014. The Aa1 rating reflects the District's sound financial operations supported by healthy reserves and trend of annual General Fund surpluses, ability to generate additional revenues under the state imposed operating mill rate cap, large tax base, and average debt burden with a very rapid rate of principle amortization.

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

Economic Factors

Wisconsin continues to see historically low unemployment rates. Wisconsin's unemployment rate for August 2016 was 4.2 percent, lower than the national unemployment rate by 0.7 percentage points.

Three of the ten counties in the NTC District are experiencing unemployment rates at or above the state rate. In addition, Menominee County is experiencing the highest rate in the state at 8.6 percent.

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

Financial Statements

Northcentral Technical College District

Statements of Net Position

June 30, 2016 and 2015

<i>Assets and Deferred Outflows of Resources</i>	2016	2015
Current assets:		
Cash and cash equivalents	\$11,482,690	\$12,220,105
Property taxes receivable	5,632,778	5,508,878
Accounts and other receivables - Net	3,642,109	4,122,231
Inventories	379,115	525,954
Prepaid expenses	149,196	103,204
Total current assets	21,285,888	22,480,372
Noncurrent assets:		
Restricted cash and cash equivalents	27,460,449	21,569,349
Net pension asset		4,438,877
Capital assets not being depreciated	3,182,662	1,462,232
Capital assets being depreciated	108,235,163	104,702,832
Less - Accumulated depreciation	(51,455,875)	(46,797,115)
Total noncurrent assets	87,422,399	85,376,175
Deferred outflows of resources:		
Related to post employment benefit obligation	746,871	
Related to pensions	15,428,178	3,652,908
Total deferred outflows of resources	16,175,049	3,652,908
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$124,883,336	\$111,509,455
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>		
Current liabilities:		
Accounts payable	\$2,418,188	\$2,612,081
Accrued liabilities:		
Payroll, payroll taxes, and insurance	942,893	819,733
Interest	197,777	189,017
Due to student and other organizations	354,386	289,965
Unearned revenue	625,141	671,586
Current portion of long-term obligations	10,925,000	8,135,000
Total current liabilities	15,463,385	12,717,382
Noncurrent liabilities:		
Notes payable	35,371,977	33,125,454
Accrued compensated absences	20,439	25,173
Net other post-employment benefit obligation	6,564,390	427,557
Net pension liability	2,939,307	
Total noncurrent liabilities	44,896,113	33,578,184
Total liabilities	60,359,498	46,295,566
Deferred inflows of resources - Related to pensions	6,224,587	36,234
Net position:		
Net investment in capital assets	28,497,678	29,039,852
Restricted for:		
Pension benefit		4,402,643
Debt service	11,161,982	10,121,109
Unrestricted	18,639,591	21,614,051
Total net position	58,299,251	65,177,655
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$124,883,336	\$111,509,455

Northcentral Technical College District

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2016 and 2015

	2016	2015
Operating revenues:		
Student program fees, net of scholarship allowances of \$5,269,013 and \$5,845,143, respectively	\$5,083,670	\$4,485,648
Student material fees, net of scholarship allowances of \$239,150 and \$276,139, respectively	398,967	347,126
Other student fees, net of scholarship allowances of \$405,669 and \$433,065, respectively	390,000	340,848
Federal grants	10,358,425	11,282,402
State grants	5,336,002	4,926,646
Business and industry contract revenues	2,287,285	2,210,023
School district contract revenues	669,328	636,323
Auxiliary enterprise revenues	3,041,570	3,255,858
Miscellaneous	849,434	1,192,697
Total operating revenues	28,414,681	28,677,571
Operating expenses:		
Instruction	31,222,473	31,142,075
Instructional resources	1,826,568	1,673,428
Student services	4,164,310	4,203,077
General institutional	12,217,745	10,890,678
Physical plant	4,280,141	4,767,258
Auxiliary enterprise services	3,472,975	3,389,300
Depreciation	7,494,047	6,234,479
Student aid	2,659,220	2,991,491
Total operating expenses	67,337,479	65,291,786
Operating loss	(38,922,798)	(36,614,215)
Non-operating revenues (expenses):		
Property taxes	19,233,396	18,457,033
State operating appropriations	18,968,541	19,177,118
Loss on disposal of capital assets	(16,649)	
Investment income earned	88,442	75,530
Interest expense	(461,430)	(454,482)
Transfer of capital assets to Wausau Community Area Network		(1,593,733)
Net non-operating revenues (expenses)	37,812,300	35,661,466
Change in net position	(1,110,498)	(952,749)
Net position at beginning of year, as previously reported	65,177,655	58,190,756
Cumulative effect of accounting change	(5,767,906)	7,939,648
Net position at end of year	\$58,299,251	\$65,177,655

Northcentral Technical College District

Statements of Cash Flows

Years Ended June 30, 2016 and 2015

	2016	2015
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Tuition and fees received	\$5,742,952	\$5,119,643
Federal and state grants received	16,146,034	15,122,698
Business, industry, and school district contract revenues received	3,102,444	2,714,444
Payments to employees	(29,546,158)	(29,022,060)
Payments to suppliers	(30,018,797)	(28,598,580)
Auxiliary enterprise revenues received	3,007,494	3,306,574
Other receipts	913,855	893,475
Net cash used in operating activities	(30,652,176)	(30,463,806)
Cash flows from noncapital financing activities:		
Local property taxes received	19,109,496	22,363,279
State appropriations received	18,968,541	19,177,118
Net cash provided by noncapital financing activities	38,078,037	41,540,397
Cash flows from capital and related financing activities:		
Purchases of capital assets	(6,944,471)	(10,064,708)
Proceeds from issuance of capital debt	13,339,255	10,207,935
Debt issuance costs paid	(70,925)	(11,000)
Principal paid on capital debt	(8,135,000)	(7,680,000)
Interest paid on capital debt	(549,477)	(590,061)
Net cash used in capital and related financing activities	(2,360,618)	(8,137,834)
Cash flows from investing activities:		
Proceeds from sales and maturities of investments		5,530,204
Investment income received	88,442	75,530
Net cash provided by investing activities	88,442	5,605,734
Net increase in cash and cash equivalents	5,153,685	8,544,491
Cash and cash equivalents at beginning of year	33,789,454	25,244,963
Cash and cash equivalents at end of year	\$38,943,139	\$33,789,454

Northcentral Technical College District

Statements of Cash Flows (Continued)

Years Ended June 30, 2016 and 2015

	2016	2015
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	(\$38,922,798)	(\$36,614,215)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	7,494,047	6,234,479
Changes in operating assets and liabilities:		
Accounts and other receivables	480,122	(1,213,632)
Inventories	146,839	81,701
Prepaid items	(45,992)	2,303
Accounts payable	(1,354,119)	1,139,018
Accrued expenses	118,426	86,896
Due to student and other organizations	64,421	(299,222)
Unearned revenue	(46,445)	(7,883)
Net pension changes	1,562,992	(115,898)
Post-employment benefits	(149,669)	242,647
Net cash used in operating activities	(\$30,652,176)	(\$30,463,806)
Noncash investing, capital, and financing activities:		
Purchase of capital assets in accounts payable	\$1,225,161	\$64,935

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

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

Reporting Entity

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

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

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

This report includes all activities of the District. The reporting entity for the District consists of (a) the primary government, (b) organizations for which the primary government is accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This report does not contain any component units.

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

Measurement Focus and Basis of Accounting

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

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

Use of Estimates

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

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deposits and Investments

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

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

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

Receivables

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

Inventories and Prepaid Expenses

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

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

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

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

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

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

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

Long-Term Obligations

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

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

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

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts (Continued)

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

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS), and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

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

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

Property Tax Levy

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

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.

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property Tax Levy (Continued)

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, 2016 and 2015, the District levied at the following mill rate:

	2016	2015
Operating purposes	\$0.63534	\$0.61425
Debt service requirements	0.62575	0.59968
Totals	\$1.26109	\$1.21393

State and Federal Revenues

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

Tuition and Fees

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

Scholarship Allowances and Student Financial Aid

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

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Classification of Revenues and Expenses

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

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

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

Deferred Outflows/Inflows of Resources

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

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

New Accounting Pronouncements

Management adopted the provisions of the Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. See Note 14 for the restatement of the beginning net position.

Northcentral Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

Subsequent events have been evaluated through December 27, 2016, which is the date the financial statements were available to be issued.

Note 2: Cash and Investments

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, 2016, \$14,072,192 of the District's bank balance of \$14,393,230 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

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 District's distribution of investments by maturity as of June 30, 2016 and 2015, were as follows:

	Fair Value	2016 Remaining Maturity (in Years)			
		0-1	1-5	5-10	More Than 10
Wisconsin Local Government Investment Pool	\$24,540,159	\$24,540,159	\$0	\$0	\$0

	Fair Value	2015 Remaining Maturity (in Years)			
		0-1	1-5	5-10	More Than 10
Wisconsin Local Government Investment Pool	\$19,557,514	\$19,557,514	\$0	\$0	\$0

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

Northcentral Technical College District

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

Investments (Continued)

The actual ratings, as rated by Moody's Investors Service, for each investment type at June 30, 2016 and 2015, were as follows:

	2016				
	Rating				
	Exempt From Rating	AAA	AA	A	Not Rated
Wisconsin Local Government Investment Pool	\$0	\$0	\$0	\$0	\$24,540,159

	2015				
	Rating				
	Exempt From Rating	AAA	AA	A	Not Rated
Wisconsin Local Government Investment Pool	\$0	\$0	\$0	\$0	\$19,557,514

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, 2016 and 2015, the District had no investments in any one issuer (excluding U.S. Treasury securities, money market funds, and external investment pool) that represent 5% or more of the total District investments.

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

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

	2016	2015
Cash on deposit with financial institutions	\$14,393,230	\$14,222,161
Wisconsin Local Government Investment Pool	24,540,159	19,557,514
Cash on hand	9,750	9,779
Total cash and cash equivalents	\$38,943,139	\$33,789,454

Northcentral Technical College District

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

Investments (Continued)

The District has invested funds in the Wisconsin Local Government Investment Pool (LGIP). The LGIP is an investment pool managed by the State of Wisconsin Investment Board which allows governments within the state to pool their funds for investment purposes. The LGIP is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2(a)7 of the Investment Company Act of 1940. Investments in the LGIP are valued at fair value.

Cash and cash equivalents are classified as follows on June 30:

	2016	2015
Restricted for:		
Debt service	\$11,261,759	\$10,310,126
Capital projects	16,198,690	11,259,223
Total restricted	27,460,449	21,569,349
Unrestricted	11,482,690	12,220,105
Total cash and cash equivalents	\$38,943,139	\$33,789,454

Note 3: Accounts and Other Receivables

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

	2016	2015
Federal and state grants	\$2,237,074	\$2,688,681
Student tuition and fees	2,155,218	2,088,429
Business and industry contracts	197,721	215,457
NTC Foundation, Inc.	19,698	35,379
Bookstore sales	96,168	62,092
Health claim stop-loss	28,686	87,131
Other	142,690	196,659
Allowance for uncollectible amounts	(1,235,146)	(1,251,597)
Total	\$3,642,109	\$4,122,231

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:

	2016			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$915,968	\$0	\$0	\$915,968
Construction in progress	546,264	2,250,114	529,684	2,266,694
Total capital assets not being depreciated	1,462,232	2,250,114	529,684	3,182,662
Capital assets being depreciated:				
Site improvements	10,438,238	536,610	730,410	10,244,438
Buildings and building improvements	55,349,821	2,513,329		57,863,150
Furniture and equipment	33,145,563	3,334,328	711,880	35,768,011
Computer software	5,769,210		1,409,646	4,359,564
Total capital assets being depreciated	104,702,832	6,384,267	2,851,936	108,235,163
Less accumulated depreciation for:				
Site improvements	4,721,011	689,424	730,410	4,680,025
Buildings and building improvements	17,384,267	1,765,876		19,150,143
Furniture and equipment	21,631,663	4,025,870	695,231	24,962,302
Computer software	3,060,174	1,012,877	1,409,646	2,663,405
Total accumulated depreciation	46,797,115	7,494,047	2,835,287	51,455,875
Net capital assets	59,367,949	\$1,140,334	\$546,333	59,961,950
Less outstanding debt related to capital assets, including premium	(41,260,454)			(46,296,977)
Plus capital projects funds borrowed but not spent	10,932,357			14,832,705
Net assets invested in capital assets	\$29,039,852			\$28,497,678

Northcentral Technical College District

Notes to Financial Statements

Note 4: Capital Assets (Continued)

	2015			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$915,968	\$0	\$0	\$915,968
Construction in progress	4,001,098	546,264	4,001,098	546,264
Total capital assets not being depreciated	4,917,066	546,264	4,001,098	1,462,232
Capital assets being depreciated:				
Site improvements	9,789,891	648,347		10,438,238
Buildings and building improvements	50,877,240	4,472,581		55,349,821
Furniture and equipment	27,679,410	6,485,174	1,019,021	33,145,563
Vehicles	21,758		21,758	
Computer software	6,602,729	1,073,144	1,906,663	5,769,210
Broadband infrastructure	1,694,178		1,694,178	
Total capital assets being depreciated	96,665,206	12,679,246	4,641,620	104,702,832
Less accumulated depreciation for:				
Site improvements	4,046,740	674,271		4,721,011
Buildings and building improvements	15,824,917	1,559,350		17,384,267
Furniture and equipment	19,887,557	2,763,125	1,019,019	21,631,663
Vehicles	20,308	1,451	21,759	
Computer software	3,780,778	1,186,059	1,906,663	3,060,174
Broadband infrastructure	50,223	50,223	100,446	
Total accumulated depreciation	43,610,523	6,234,479	3,047,887	46,797,115
Net capital assets	57,971,749	\$6,991,031	\$5,594,831	59,367,949
Less outstanding debt related to capital assets, including premium	(38,872,005)			(41,260,454)
Plus capital projects funds borrowed but not spent	10,647,058			10,932,357
Net assets invested in capital assets	\$29,746,802			\$29,039,852

Northcentral Technical College District

Notes to Financial Statements

Note 5: Long-Term Obligations

Long-term liability activity for the years ended June 30, 2016 and 2015, was as follows:

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

	Balance 7/1/2014	Additions	Reductions	Balance 6/30/2015	Amounts Due Within One Year
General obligation notes	\$38,265,000	\$10,000,000	\$7,680,000	\$40,585,000	\$8,135,000
Plus deferred premium	607,005	207,935	139,486	675,454	
Compensated absences	19,779	25,173	19,779	25,173	
Totals	\$38,891,784	\$10,233,108	\$7,839,265	\$41,285,627	\$8,135,000

Northcentral Technical College District

Notes to Financial Statements

Note 5: Long-Term Obligations (Continued)

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, 2016 and 2015, is comprised of the following individual issues:

	2016	2015
June 10, 2010 general obligation promissory note (1)	\$0	\$1,600,000
June 8, 2011 general obligation promissory note (2)	1,640,000	3,280,000
June 11, 2012 general obligation promissory note (3)	3,345,000	5,015,000
June 11, 2013 general obligation promissory note (4)	9,530,000	10,690,000
June 2, 2014 general obligation promissory note (5)	7,935,000	10,000,000
June 1, 2015 general obligation promissory note (6)	10,000,000	10,000,000
May 2, 2016 general obligation promissory note (7)	10,000,000	
June 15, 2016 general obligation promissory note (8)	1,500,000	
June 30, 2016 general obligation promissory note (9)	1,500,000	
Total general obligation debt	\$45,450,000	\$40,585,000

(1) Promissory note issued to Marshall & Ilsley Bank, to remodel buildings and to acquire and replace equipment, with interest at 1.5% to 2.25%. Principal due annually on September 1, with final maturity September 1, 2015.

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

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

(4) 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.

(5) 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.

(6) 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.

Northcentral Technical College District

Notes to Financial Statements

Note 5: Long-Term Obligations (Continued)

General Obligation Debt (Continued)

(7) 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.

(8) 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.

(9) 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.

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, 2016, was \$799,784,297 and the District's outstanding general obligation debt of \$45,450,000, net of resources available of \$11,161,982 to pay principal, was \$34,386,018. The 5% limit for the year ended June 30, 2015, was \$791,190,524 and the District's outstanding general obligation debt of \$40,585,000, net of resources available of \$10,121,109 to pay principal, was \$30,463,891.

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 \$319,913,719 and \$316,476,209 at June 30, 2016 and 2015, respectively. The District had no outstanding bonded indebtedness as of June 30, 2016 and 2015.

Aggregate cash flow requirements for the retirement of long-term principal and interest on general obligation debt as of June 30, 2016, follows:

Year Ended June 30,	Principal	Interest	Totals
2017	\$10,925,000	\$737,792	\$11,662,792
2018	7,835,000	621,428	8,456,428
2019	6,295,000	484,351	6,779,351
2020	6,460,000	359,588	6,819,588
2021	4,470,000	252,094	4,722,094
2022-2026	9,465,000	459,867	9,924,867
Totals	\$45,450,000	\$2,915,120	\$48,365,120

Northcentral Technical College District

Notes to Financial Statements

Note 6: Leases, as Lessee

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

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

2017	\$256,531
2018	258,547
2019	260,599
2020	77,937
Total minimum lease payments	\$853,614

Rental expense for all operating leases for the years ended June 30, 2016 and 2015, were \$254,563 and \$434,144, respectively.

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

Plan Description - The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>

Vesting - For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided - Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

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

Northcentral Technical College District

Notes to Financial Statements

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2006	0.8%	3.0%
2007	3.0%	10.0%
2008	6.6%	0.0%
2009	(2.1%)	(42.0%)
2010	(1.3%)	22.0%
2011	(1.2%)	11.0%
2012	(7.0%)	(7.0%)
2013	(9.6%)	9.0%
2014	4.7%	25.0%
2015	2.90%	2.00%

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$1,738,451 in contributions from the employer.

The District only has employees in the general category which had the following contribution rates as of June 30, 2016 and 2015:

	2016		2015	
	Employee	Employer	Employee	Employer
General (including teachers)	6.60%	6.60%	6.80%	6.80%

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 - At June 30, 2016 and 2015, the District reported a liability (asset) of \$2,939,307 and (\$4,438,877), 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 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, 2015 and 2014, the District's proportion was .1808% and .1807% (an increase of .0001% from the prior year), respectively.

For the years ended June 30, 2016 and 2015, the District recognized pension expense of \$1,791,267 and \$1,765,923.

At June 30, 2016 and 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2016		2015	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$496,789	\$6,185,722	\$643,499	\$0
Changes in assumptions	2,056,467			
Net differences between projected and actual earnings on pension plan investments	12,032,877		2,149,519	
Changes in proportion and differences between employer contributions and proportionate share of contributions		38,865		36,234
Employer contributions subsequent to the measurement date	842,045		859,890	
Total	\$15,428,178	\$6,224,587	\$3,652,908	\$36,234

Northcentral Technical College District

Notes to Financial Statements

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued) - Deferred outflows of resources related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30:

2017	\$2,279,151
2018	2,279,151
2019	2,279,151
2020	1,656,548
2021	(132,454)

Actuarial Assumptions - The total pension liability in the actuarial valuations used for the years ended June 30, 2016 and 2015, were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2016	2015
Actuarial Valuation Date	December 31, 2014	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2015	December 31, 2014
Actuarial Cost Method	Entry Age	Entry Age
Asset Valuation Method	Fair Market Value	Fair Market Value
Long-Term Expected Rate of Return	7.2%	7.2%
Discount Rate	7.2%	7.2%
Salary Increases:		
Inflation	3.2%	3.2%
Seniority/Merit	0.2% - 5.6%	0.2% - 5.8%
Mortality	Wisconsin 2012 Mortality Table	Wisconsin 2012 Mortality Table
Post-Retirement Adjustments*	2.1%	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 - 2011.

Northcentral Technical College District

Notes to Financial Statements

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

Actuarial Assumptions (Continued) - Long-term Expected Return on Plan Assets: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	December 31, 2015		December 31, 2014	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Core Fund:				
U.S. Equities	23%	4.7%	21%	5.3%
International Equities	22%	5.6%	23%	5.7%
Fixed Income	37%	1.6%	36%	1.7%
Inflation Sensitive Assets	20%	1.4%	20%	2.3%
Real Estate	7%	3.6%	7%	4.2%
Private Equity/Debt	7%	6.5%	7%	6.9%
Multi-Asset	4%	3.8%	6%	3.9%
Cash			(20%)	0.9%
Variable Fund:				
U.S. Equities	70%	4.7%		
International Equities	30%	5.6%		

Single Discount Rate: A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.57%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Northcentral Technical College District

Notes to Financial Statements

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

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

	2016		2015	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to the rate	6.2%	\$20,161,357	6.2%	\$12,522,836
Current discount rate	7.2%	\$2,939,307	7.2%	(\$4,438,877)
1% increase to rate	8.2%	(\$10,866,784)	8.2%	(\$17,834,552)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued ETF financial report.

Payables to the Pension Plan - At June 30, 2016 and 2015, the District reported a payable of \$132,028 and \$134,455 for the outstanding amount of employer contributions to the pension plan, respectively.

Note 8: Other Post-Employment Benefits

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

Benefits Provided - Benefits provided to retirees are as follows:

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

Northcentral Technical College District

Notes to Financial Statements

Note 8: Other Post-Employment 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.
- For employees 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 (single or family for faculty and single for other retirees) contributions as is made for active employees. Retirees subject to the single premium contribution will be responsible for the difference between the single and family premium amounts.
- For eligible retiring 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 contributions towards the retiree's life insurance premiums at a rate of 37.5%, reduced annually at retiree's birthdate, until such time that it will be frozen at 12.5%.
- 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, \$1,300 if single coverage and \$2,500 if family coverage.

Employees Covered by the Benefit Terms - At June 30, 2015, the measurement date, the following employees were covered by the benefit terms:

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

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.

Northcentral Technical College District

Notes to Financial Statements

Note 8: Other Post-Employment Benefits (Continued)

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

Actuarial Assumptions - The total OPEB liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry Age Normal
Inflation	3.00%
Discount Rate	3.75%
Healthcare cost trend rate	7.5% decreasing by .5% per year down to 6.5%, then by .1% per year down to 5%, and level thereafter

The discount rate is based on the Bond Buyer Go 20-Bond Municipal Bond Index published by the Federal Reserve for the week closest to, but not later than the measurement date. Mortality rates are based upon the Wisconsin Retirement System (WRS) 2012 Mortality Table Projected to 2017. The mortality table and other significant assumptions are based on the WRS's actuarial experience study from 2009 to 2011.

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

Balance at July 1, 2015	\$6,714,059
Service cost	124,538
Interest	244,389
Benefit payments	(518,596)
Balance at June 30, 2016	\$6,564,390

Sensitivity of the District's OPEB Liability to Changes in the Discount Rate and Changes in the

Healthcare Cost Trend Rate - The following presents the District's OPEB liability calculated using discount rates and healthcare cost trend rates 1% lower and 1% higher than the current rate used in the actuarial valuation.

	Discount Rate	Net OPEB Liability	Healthcare Cost Trend Rate	Net OPEB Liability
1% decrease to the rate	2.75%	\$7,238,163	6.5% decreasing to 4.0%	\$6,370,770
Current rate	3.75%	\$6,564,390	7.5% decreasing to 5.0%	\$6,564,390
1% increase to the rate	4.75%	\$6,005,229	8.5% decreasing to 6.0%	\$6,786,985

Northcentral Technical College District

Notes to Financial Statements

Note 8: Other Post-Employment Benefits (Continued)

OPEB Expense and Deferred Outflow of Resources - For the year ended June 30, 2016, the District recognized OPEB expense of \$368,927. At June 30, 2016, the District reported deferred outflows of resources of \$746,871 related to benefit payments subsequent to the measurement date. That amount will be recognized as a decrease of the net OPEB liability in the year ended June 30, 2017.

Note 9: Risk Management

Districts Mutual Insurance Company (DMI)

In July 2004, all 16 WTCS technical colleges created the Districts Mutual Insurance Company (DMI). Districts Mutual Insurance Company is a fully-assessable mutual company authorized under Wisconsin Statute 611 to provide property, casualty, and liability insurance and risk management services to its members. The scope of insurance protection provided by DMI is broad, covering property at \$400,225,000 per occurrence; equipment at \$100,000,000 per occurrence; general liability, auto, and educators legal liability at \$5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

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

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 2015 and 2014. For the years ended June 30, 2016 and 2015, the District paid premiums of \$311,226 and \$304,601, 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 DMI for its participating members:

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

The scope of settled claims has not exceeded the coverage limits in any of the past three fiscal years. There was no significant reduction in the District's insurance coverage in fiscal 2016.

Self-Funded Health and Vision Insurance

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

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

	Beginning of Fiscal Year Liability	Current Year Claims and Changes In Estimates	Claim Payments	Balance at Fiscal Year-End
2013-14	\$349,009	\$5,204,747	\$5,084,107	\$469,649
2014-15	\$469,649	\$5,854,840	\$5,539,629	\$784,860
2015-16	\$784,860	\$5,414,241	\$5,866,529	\$332,572

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, 2016. The construction projects in progress are the Main Entrance/Community Room Addition, CI/Finance/IT Renovation, Student Success/Security Renovation, Campus Store Renovation, Culinary Arts Renovation, Simulation Center Renovation, and the Student Life Renovation, as well as some smaller remodeling projects. Also, orders were placed for smart classroom equipment and installation, furniture for various projects, server and other IT-related items, and instructional equipment needed for the start of the fall semester. These orders were initially placed prior to June 30, 2016, due to delivery and installation lead time requirements. Future commitments include building the Tactical Safety Range Building at the Merrill Public Safety Center of Excellence, improvements to the Antigo North Parking Lot, 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 June 30, 2016	Remaining Commitment
Main Entrance/Community Room Addition	\$514,523	\$782,418
CI/Finance/IT Renovation	104,704	72,795
Student Success/Security Renovation	133,519	446,066
Campus Store Renovation	113,227	433,499
Culinary Arts Renovation	320,874	259,506
Simulation Center Renovation	340,017	335,084
Student Life Renovation	112,316	850,393
PeopleSoft Mobile Project	183,034	
Smart Classroom		278,371
Servers	57,412	42,086
Merrill Tactical Safety Range Building	66,232	1,415,659
Antigo North Parking Improvements	12,100	133,774
Digital Cutter	46,770	46,770
Health Simulation Shuttle Bus	129,887	4,623
Culinary Arts Instructional Equipment		179,307
Bookstore Fixtures	10,349	105,042

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

Northcentral Technical College District

Notes to Financial Statements

Note 10: Construction and Other Significant Commitments (Continued)

Other Significant Commitments

The District has a non-cancellable telecommunication service agreement for network services. Payments are monthly and vary by location. The length of the agreements also varies by location with a minimum period of five years. The final contract's term will end in November 2018. Total expense for the year ended June 30, 2016, was \$26,900. As of June 30, 2016, the District was committed to make payments of \$34,075.

The District completed an RFP (Request for Proposal) for IT-PeopleSoft Consulting Services in the spring of 2016, and awarded a contract to Highstreet IT Solutions for an initial 2-year term, to commence July 1, 2016. The estimated commitment through June 30, 2018, for these services is \$1,406,080. This is based upon an hourly rate of \$169/hour for an estimate of 4,160 hours per year.

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:

	2016		2015	
	Total WISPALS	NTC's Share	Total WISPALS	NTC's Share
Total assets	\$34,602	\$3,845	\$109,755	\$12,195
Total liabilities	34,602	3,845	109,755	12,195
Total revenues	459,276	51,031	684,814	76,090
Total expenses	478,818	53,202	684,066	76,007

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

On March 20, 2012, the College entered into an intergovernmental agreement, known as the Wausau Community Area Network (WCAN), to share access to a last mile fiber optic network funded primarily by a grant from the U.S. Department of Commerce and matching funds provided by other local governments. The District has agreed to serve as the fiscal agent for the agreement. In the event that the oversight committee for this agreement votes to terminate the agreement the accumulated assets and liabilities related to the agreement are to be equitably shared by any remaining parties to the agreement. Parties that terminate participation prior to such an event forfeit any rights to the remaining assets or obligations for the remaining liabilities. Prior to 2016, the College recorded capital assets related to the agreement in its financial statements. During 2015, the College transferred those assets to the WCAN at a net depreciated value of \$1,593,733. As of June 30, 2015, the amount of accumulated assets less liabilities was \$44,477 of which the College was owed a 33.3% share and other parties owed the remaining 66.7%.

Northcentral Technical College District

Notes to Financial Statements

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:

	2016	2015
Salaries and wages	\$29,468,923	\$29,353,904
Employee benefits	12,156,042	12,057,247
Travel, memberships, and subscriptions	1,124,297	1,071,846
Supplies and minor equipment	9,030,887	8,795,006
Postage, printing, and advertising	1,064,368	1,115,024
Repairs and maintenance	693,142	913,740
Contracted services	1,697,590	801,845
Rentals	397,094	502,870
Insurance	395,917	380,111
Utilities	924,758	1,011,985
Depreciation	7,494,047	6,234,479
Other	305,038	292,435
Student aid	2,585,376	2,761,294
Total operating expenses	\$67,337,479	\$65,291,786

Note 14: Cumulative Effect of Accounting Change

The College implemented GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* for the year ended June 30, 2016, which required it to report the entire actuarially determined other post-employment benefit (OPEB) and related deferred outflows. The details of the restatement are as follows:

Balance at June 30, 2015 (as reported)	\$65,177,655
Add previously reported OPEB liability	427,557
Subtract beginning OPEB liability under GASB 75	(6,714,059)
Add deferred outflows of resources - Contributions after measurement date	518,596
Balance at June 30, 2015, as restated	\$59,409,749

Required Supplementary Information

Northcentral Technical College District

Schedule of Funding Progress - Other Post-Employment Benefit Plans Last Ten Fiscal Years (When Available)

	2016
Total OPEB Liability	
Service cost	\$124,538
Interest	244,389
Benefit payments	(518,596)
Net change in total OPEB liability	(149,669)
Total OPEB liability at beginning	6,714,059
Total OPEB liability at end	\$6,564,390
District's covered employee payroll	\$16,353,932
Total OPEB liability as a percentage of covered-employee payroll	40.14%

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

Notes to the Schedules

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

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

Northcentral Technical College District

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

Last Ten Fiscal Years (When Available)

	2016	2015
Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset)		
As of the Calendar Year End That Occurred Within the Fiscal Year		
District's proportion of the net pension liability (asset)	0.1808%	0.1807%
District's proportionate share of the net pension liability (asset)	\$2,939,307	(\$4,438,877)
District's covered-employee payroll during the measurement period	\$25,565,458	\$25,366,952
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	11.50%	(17.50%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.20%	102.74%
Schedule of Employer Contributions		
For the Fiscal Year		
Contractually required contribution for the fiscal period	\$1,720,607	\$1,775,953
Contributions in relation to the contractually required contribution	(1,720,607)	(1,775,953)
Contribution deficiency	\$0	\$0
District's covered-employee payroll for the fiscal period	\$25,678,283	\$25,588,765
Contributions as a percentage of covered-employee payroll	6.70%	6.94%

Notes to the 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.

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, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$8,173,307	\$8,437,142	\$8,437,142	\$0	\$8,437,142	\$0
State revenues	18,929,408	18,811,345	18,811,345		18,811,345	
Federal revenues		11,745	11,745		11,745	
Statutory program fees	9,900,000	9,307,943	9,307,943		9,307,943	
Material fees	575,000	572,589	572,589		572,589	
Other student fees	359,500	458,018	458,018		458,018	
Institutional revenues	490,000	527,343	527,343		527,343	
Total revenues	38,427,215	38,126,125	38,126,125		38,126,125	
Expenditures:						
Instruction	22,382,111	20,826,325	20,826,325		20,826,325	
Instructional resources	1,378,009	1,329,028	1,329,028		1,329,028	
Student services	2,598,760	2,523,501	2,523,501		2,523,501	
General institutional	8,912,133	8,286,844	8,286,844		8,286,844	
Physical plant	3,709,852	3,416,748	3,416,748		3,416,748	
Total expenditures	38,980,865	36,382,446	36,382,446		36,382,446	
Excess (deficiency) of revenues over expenditures	(553,650)	1,743,679	1,743,679		1,743,679	
Other financing sources (uses):						
Transfers in		5,288	5,288		5,288	
Transfers out		(1,794,800)	(1,794,800)		(1,794,800)	
Total other financing sources (uses)		(1,789,512)	(1,789,512)		(1,789,512)	
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	(\$553,650)	(\$45,833)	(45,833)		(45,833)	\$0
Fund balance at beginning of year			14,797,331		14,797,331	
Fund balance at end of year			\$14,751,498	\$0	\$14,751,498	
Fund balance:						
Reserved for prepaid items			\$223,901			
Unreserved fund balance:						
Designated for post-employment benefits			6,564,390			
Designated for state aid fluctuations			926,717			
Designated for operations			7,036,490			
Total fund balance			\$14,751,498			

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, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$1,100,000	\$1,100,000	\$1,100,000	\$0	\$1,100,000	\$0
State revenues	3,496,400	3,685,233	3,685,233		3,685,233	
Federal revenues	3,168,900	2,941,557	2,941,557		2,941,557	
Statutory program fees	588,800	1,019,808	1,019,808		1,019,808	
Material fees	43,400	68,638	68,638		68,638	
Other student fees	465,700	426,760	426,760		426,760	
Institutional revenues	3,155,900	3,138,414	3,138,414		3,138,414	
Total revenues	12,019,100	12,380,410	12,380,410		12,380,410	
Expenditures:						
Current:						
Instruction	8,572,279	9,157,758	9,157,758		9,157,758	
Instructional resources	84,605	159,050	159,050		159,050	
Student services	1,291,832	1,336,124	1,336,124		1,336,124	
General institutional	2,080,513	1,519,514	1,519,514		1,519,514	
Physical plant	118,125	161,466	161,466		161,466	
Total expenditures	12,147,354	12,333,912	12,333,912		12,333,912	
Excess (deficiency) of revenues over expenditures	(\$128,254)	\$46,498	46,498		46,498	\$0
Fund balance at beginning of year			1,683,364		1,683,364	
Fund balance at end of year			\$1,729,862	\$0	\$1,729,862	
Fund balance - Unreserved - Designated for operations			\$1,729,862			

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, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$200,000	\$120,253	\$120,253	\$0	\$120,253	\$0
State revenues	1,217,000	1,370,576	1,370,576		1,370,576	
Federal revenues	17,062,000	14,656,711	14,656,711		14,656,711	
Other student fees	850,000	857,019	857,019		857,019	
Institutional revenues	110,000	202,384	202,384		202,384	
Total revenues	19,439,000	17,206,943	17,206,943		17,206,943	
Expenditures:						
Student services	19,623,000	17,141,567	17,141,567		17,141,567	
Public service	62,000	62,534	62,534		62,534	
Total expenditures	19,685,000	17,204,101	17,204,101		17,204,101	
Excess (deficiency) of revenues over expenditures	(246,000)	2,842	2,842		2,842	
Other financing sources - Transfers in		17,100	17,100		17,100	
Excess (deficiency) of revenues and other financing sources over expenditures	(\$246,000)	\$19,942	19,942		19,942	\$0
Fund balance at beginning of year			289,965		289,965	
Fund balance at end of year			\$309,907	\$0	\$309,907	
Fund balance:						
Reserved fund balance:						
Student organizations			\$309,907			

Northcentral Technical College District

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Actual (Non-GAAP Budgetary Basis) - Capital Projects Fund

Year Ended June 30, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
State revenues	\$311,500	\$446,389	\$446,389	\$0	\$446,389	\$0
Federal revenues	134,177	157,834	157,834		157,834	
Institutional revenues	90,000	156,775	156,775		156,775	
Total revenues	535,677	760,998	760,998		760,998	
Expenditures:						
Capital outlay:						
Instruction	2,826,733	2,222,185	2,222,185		2,222,185	
Instructional resources	673,142	1,035,218	1,035,218		1,035,218	
General institutional	2,939,894	2,844,755	2,844,755		2,844,755	
Physical plant	3,921,697	5,258,492	5,258,492		5,258,492	
Total expenditures	10,361,466	11,360,650	11,360,650		11,360,650	
Excess (deficiency) of revenues over expenditures	(9,825,789)	(10,599,652)	(10,599,652)		(10,599,652)	
Other financing sources (uses):						
Transfers in		1,500,000	1,500,000		1,500,000	
Issuance of long-term debt	10,000,000	13,000,000	13,000,000		13,000,000	
Total other financing sources (uses)	10,000,000	14,500,000	14,500,000		14,500,000	
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$174,211	\$3,900,348	3,900,348		3,900,348	\$0
Fund balance at beginning of year			10,932,357		10,932,357	
Fund balance at end of year			\$14,832,705	\$0	\$14,832,705	
Fund balance - Reserved for capital projects			\$14,832,705			

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, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local revenues	\$8,756,944	\$8,714,665	\$8,714,665	\$0	\$8,714,665	\$0
Institutional revenues	12,627	21,874	21,874		21,874	
Total revenues	8,769,571	8,736,539	8,736,539		8,736,539	
Expenditures - Physical plant	9,013,944	8,871,152	8,871,152		8,871,152	
Excess of revenues over expenditures	(244,373)	(134,613)	(134,613)		(134,613)	
Other financing sources - Premium on long-term debt	166,000	268,330	268,330		268,330	
Excess of revenues and other financing sources over expenditures	(\$78,373)	\$133,717	133,717		133,717	\$0
Fund balance at beginning of year			1,852,626		1,852,626	
Fund balance at end of year			\$1,986,343	\$0	\$1,986,343	
Fund balance - Reserved for debt service			\$1,986,343			

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, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local	\$0	\$32,671	\$32,671	\$0	\$32,671	\$0
Federal	250	730	730		730	
Institutional	3,265,251	3,169,723	3,169,723		3,169,723	
Total revenues	3,265,501	3,203,124	3,203,124		3,203,124	
Expenses - Auxiliary service	3,293,985	3,203,996	3,203,996		3,203,996	
Excess (deficiency) of revenues over expenses	(28,484)	(872)	(872)		(872)	
Other financing uses - Transfers out		(5,288)	(5,288)		(5,288)	
Change in net position	<u>(\$28,484)</u>	<u>(\$6,160)</u>	(6,160)		(6,160)	<u>\$0</u>
Net position at beginning of year			685,737		685,737	
Net position at end of year			<u>\$679,577</u>	<u>\$0</u>	<u>\$679,577</u>	
Net position - Unrestricted retained earnings			<u>\$679,577</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, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues - Institutional	\$7,370,930	\$7,153,396	\$7,153,396	\$0	\$7,153,396	\$0
Expenses - Auxiliary service	7,497,065	7,521,235	7,521,235		7,521,235	
Excess (deficiency) of revenues over expenses	(126,135)	(367,839)	(367,839)		(367,839)	
Other financing sources - Transfers in		277,700	277,700		277,700	
Change in net position	<u>(\$126,135)</u>	<u>(\$90,139)</u>	(90,139)		(90,139)	<u>\$0</u>
Net position at beginning of year			924,597		924,597	
Net position at end of year			<u>\$834,458</u>	<u>\$0</u>	<u>\$834,458</u>	
Net position - Unrestricted retained earnings			<u>\$834,458</u>			

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Northcentral Technical College District

Notes to Budgetary Comparison Schedules

Note 1: Budgetary Accounting

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

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

Northcentral Technical College District

Notes to Budgetary Comparison Schedules

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

Revenues

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

General Fund	\$38,126,125
Special Revenue Aidable Fund	12,380,410
Special Revenue Non-Aidable Fund	17,206,943
Capital Projects Fund	760,998
Debt Service Fund	8,736,539
Enterprise Fund	3,203,124
Internal Service Fund	7,153,396

87,567,535

Adjustments:

Interfund charges from internal service and fiduciary funds are eliminated for GAAP reporting	(7,073,848)
Interfund charges for rent are eliminated for GAAP reporting	(360,000)
Student aid in the form of loans are included in revenues for budgetary purposes but offset revenues for GAAP reporting	(7,419,152)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(5,913,832)
Revenue in agency funds are included in revenues for budgetary purposes but offset revenues for GAAP reporting	(946,130)
Summer tuition is recognized on the cash basis rather than the accrual basis	21,821
Property taxes levied for debt service payments in the subsequent fiscal year are deferred for budgetary purposes	828,666

Reconciled revenues \$66,705,060

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

Operating revenues	\$28,414,681
Property taxes	19,233,396
State operating appropriations	18,968,541
Investment income	88,442

Total \$66,705,060

Northcentral Technical College District

Notes to Budgetary Comparison Schedules

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

Expenditures

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

General Fund	\$36,382,446
Special Revenue Aidable Fund	12,333,912
Special Revenue Non-Aidable Fund	17,204,101
Capital Projects Fund	11,360,650
Debt Service Fund	8,871,152
Enterprise Fund	3,203,996
Internal Service Fund	7,521,235
	<hr/> 96,877,492
Adjustments:	
Interfund charges from internal service funds are eliminated for GAAP reporting	(6,976,906)
Interfund charges for rent are eliminated for GAAP reporting	(360,000)
Student aid in the form of loans are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(7,419,152)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(5,913,832)
Expenses in agency funds are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(978,652)
The following expenditures are recognized on the cash basis rather than the accrual basis:	
Summer school instructional wages	(4,933)
Interest expense	79,685
Post-employment benefits	(377,944)
Pension related benefits	1,791,267
Compensated absences	(4,734)
The acquisition of capital assets, excluding donations, is reported as an expenditure for budgetary purposes	(8,104,697)
Repayment of principal on long-term debt is a budgetary expenditure	(8,135,000)
Bond premium is amortized for GAAP purposes	(167,732)
Depreciation and loss on capital asset recorded for GAAP purposes	7,510,696
Expenses on a GAAP basis	<hr/> \$67,815,558
Expenses per the Statement of Revenues and Expenses on a GAAP Basis:	
Operating expenses	\$67,337,479
Interest expense	461,430
Loss on disposal of capital assets	16,649
Total	<hr/> \$67,815,558

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, 2016

Awarding Agency Award Description Pass-Through Agency	Federal Catalog Number	Pass-Through Agency Number	Program or Award Amount	Program Period	Revenues		Total Expenditures
					Federal	Match	
U.S. Department of Agriculture							
Direct Program							
Agriculture Risk Coverage Program	10.113	18849	\$730	1/1/15-12/31/15	\$730	\$0	\$730
U.S. Department of Interior							
Direct Program							
Higher Education Grant Program							
Bureau of Indian Affairs	15.114	None assigned		7/1/15-6/30/16	43,464		43,464
U.S. Department of Labor							
Direct Program							
Trade Adjustment Assistance Community College and Career Training INTERFACE	17.282	TC-25112-13-60-A-55	6,214,585	10/1/13-9/30/17	1,746,675		1,746,675
Pass-Through Programs							
Chippewa Valley Technical College							
Trade Adjustment Assistance Community College and Career Training ACT for Health Care	17.282	TC-26455-14-60-A-55	874,572	10/1/14-9/30/17	391,379		391,379
Fox Valley Technical College							
Trade Adjustment Assistance Community College and Career Training INTERFACE	17.282	TC-25116-13-60-A-55		10/1/13-9/30/16	12,780		12,780
Northeast Wisconsin Technical College							
Trade Adjustment Assistance Community College and Career Training Making the Future: The Wisconsin Strategy	17.282	TC-23775-12-60-A-55	636,211	10/1/12-3/31/16	72,939		72,939
Total U.S. Department of Labor					2,223,773		2,223,773
U.S. Department of State							
Direct Program							
Middle East Partnership Initiative - Georgetown University	19.500	NTC-RX2050-972-15	27,895	6/2015-8/2016	22,348	9,807	32,155
Middle East Partnership Initiative - Georgetown University	19.500	NTC-RX2050-972-16	24,616	6/2016-8/2017	2,909		2,909
Middle East Partnership Initiative - Benedictine University	19.500	N/A	27,684	6/2015-8/2016	19,885	8,662	28,547
Middle East Partnership Initiative - Benedictine University	19.500	N/A	23,914	6/2016-8/2017	2,909		2,909
Total U.S. Department of State					48,051	18,469	66,520
National Science Foundation							
Pass-Through Programs							
Dakota County Technical College							
Midwest Regional Center for Nanotechnology Education	47.076	500061-1580; PO 5648:	25,828	10/1/14-6/30/16	12,138		12,138
U.S. Department of Education							
Direct Programs							
Student Financial Assistance Cluster							
Federal Supplemental Educational Opportunity Grants	84.007	P007A144527	120,470	7/1/15-6/30/16	120,359		120,359
Federal Work Study Program	84.033	P033A154527	147,643	7/1/15-6/30/16	155,425	51,809	207,234
Federal Pell Grant Program							
Pell Grant Administrative Allowance	84.063	P063Q152670	11,745	7/1/15-6/30/16	11,745		11,745
Federal Pell Grant Program	84.063	P063P142670		7/1/14-6/30/15	(5,335)		(5,335)
Federal Pell Grant Program	84.063	P063P152670		7/1/15-6/30/16	6,366,232		6,366,232
Federal Pell Grant Program	84.063	P063P162670		7/1/16-6/30/17	462,013		462,013
Total 84.063					6,834,655		6,834,655

Northcentral Technical College District

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2016

Awarding Agency Award Description Pass-Through Agency	Federal Catalog Number	Pass-Through Agency Number	Program or Award Amount	Program Period	Revenues		Total Expenditures
					Federal	Match	
U.S. Department of Education (Continued)							
Direct Programs (Continued)							
Student Financial Assistance Cluster (Continued)							
Federal Direct Student Loans							
Subsidized Stafford Loans	84.268	P28K152670	\$0	7/1/14-6/30/15	(\$713)	\$0	(\$713)
Subsidized Stafford Loans	84.268	P28K162670		7/1/15-6/30/16	4,730,637		4,730,637
Subsidized Stafford Loans	84.268	P28K172670		7/1/16-6/30/17	124,545		124,545
Unsubsidized Stafford Loans	84.268	P28K162670		7/1/15-6/30/16	2,476,960		2,476,960
Unsubsidized Stafford Loans	84.268	P28K172670		7/1/16-6/30/17	62,010		62,010
PLUS Loans	84.268	P28K162670		7/1/15-6/30/16	16,713		16,713
Total 84.268					7,410,152		7,410,152
Total Student Financial Assistance Cluster					14,520,591	51,809	14,572,400
Adult Education - Basic Grants to States							
Pass-Through Programs							
Wisconsin Technical College System							
Basic Skills - Comprehensive	84.002	15-511-146-126	219,939	7/1/15-6/30/16	219,940	130,699	350,639
Integrated English Lit. and Civics Education	84.002	15-520-146-166	10,772	7/1/15-6/30/16	10,772		10,772
Basic Education Services - Jails	84.002	15-531-146-116	35,146	7/1/15-6/30/16	35,144	11,715	46,859
Adult Basic Education for Severely At-Risk Learners	84.002	71-971-149-156	34,878	7/1/15-6/30/16	34,878	11,626	46,504
Total 84.002					300,734	154,040	454,774
Vocational Education - Basic Grants							
Pass-Through Programs							
Wisconsin Technical College System							
Achieving Student Success for At-Risk Students	84.048	15-102-150-236	328,318	7/1/15-6/30/16	328,319	365,700	694,019
Increasing NTO Enrollment and Completion	84.048	15-104-150-266	21,888	7/1/15-6/30/16	21,888		21,888
Career Prep	84.048	15-107-150-216	39,977	7/1/15-6/30/16	39,978		39,978
Strengthening Career and Technical Education	84.048	15-108-150-256	87,552	7/1/15-6/30/16	87,554		87,554
Total 84.048					477,739	365,700	843,439
Pass-Through Programs							
Wisconsin Department of Public Instruction							
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334			7/1/15-6/30/16	22,796		22,796
Race to the Top - Early Learning Challenge	84.412A	CFE00449	247,800	11/1/14-12/31/16	82,251		82,251
Total U.S. Department of Education					15,404,111	571,549	15,975,660
U.S. Department of Homeland Security							
Pass-Through Programs							
Wisconsin Technical College System							
Assistance to Firefighters Grant	97.044	15-847-153-116	23,478	1/1/16-6/30/16	24,744	3,712	28,456
U.S. Agency for International Development							
Direct Programs							
Foreign Assistance Programs Overseas							
Scholarships for Education and Economic Development							
Georgetown University	98.001	NTC-RX-2050-705-13-H	638,400	7/1/14-7/31/15	10,766		10,766
International Research and Exchanges Board (IREX)	98.XXX	S-ECAGD-14-CA-1101	800	7/1/15-6/30/16	800		800
Total U.S. Agency for International Development					11,566		11,566
TOTAL FEDERAL AWARDS					\$17,768,577	\$593,730	\$18,362,307

See Independent Auditor's Report.

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

Northcentral Technical College District

Schedule of Expenditures of State Awards

Year Ended June 30, 2016

Awarding Agency Pass-Through Agency Award Description	State I.D. Number	Pass-Through Agency Number	Program or Award Amount	Program Period	Revenues		Total
					State	Match	Expenditures
Wisconsin Higher Education Aids Board							
Direct Programs							
Higher Education Grant	235.102		\$0	7/1/15-6/30/16	\$1,020,568	\$0	\$1,020,568
Great Lakes Supplementary Grant	235.102			7/1/15-6/30/16	33,500		33,500
Remission of Fees for Veterans and Dependents	235.105		89,159	7/1/15-6/30/16	89,159		89,159
Minority Retention Grant	235.107			7/1/15-6/30/16	6,760		6,760
Wisconsin Covenant Scholars Grant	235.108			7/1/15-6/30/16	69,526		69,526
Academic Excellence Scholarship	235.109			7/1/15-6/30/16	3,375		3,375
Handicapped Assistance Grant	235.112			7/1/15-6/30/16	1,800		1,800
Talent Incentive Program	235.114			7/1/15-6/30/16	40,125		40,125
Nursing Student Loan	235.117			7/1/15-6/30/16	9,000		9,000
Technical Excellence Scholarship Grant	235.119			7/1/15-6/30/16	33,750		33,750
Wisconsin Covenant Foundation	235.131			7/1/15-6/30/16	38,250		38,250
Indian Grant	235.132			7/1/15-6/30/16	8,800		8,800
Total Wisconsin Higher Education Aids Board					1,354,613		1,354,613
Wisconsin Technical College System							
Direct Programs							
State Aids for Vocational, Technical, and Adult Education	292.105		4,541,529	7/1/15-6/30/16	4,491,200		4,491,200
State Aids for Outcomes Based Funding	292.105		1,075,054	7/1/15-6/30/16	1,075,054		1,075,054
Total 292.105					5,566,254		5,566,254
Workforce Advancement Training Grant Program							
RMM Communication and Leadership Refinement	292.124	15-876-124-175	22,184	7/1/14-8/31/15	5,470	608	6,078
G3 Organizational and Leadership Development	292.124	15-883-124-175	13,646	7/1/14-8/31/15	1,289	143	1,432
Strategic Growth and Emerging Talent Development - Nueskes	292.124	15-887-124-175	76,559	7/1/14-8/31/15	4,497	501	4,998
Northcentral Business Consortium Supervision and Training	292.124	15-880-124-175	199,951	7/1/14-8/31/15	6,611	735	7,346
Increasing Core Employee Skills at Church Mutual	292.124	15-878-124-175	35,441	7/1/14-8/31/15	8,896	988	9,884
Transforming and Streamlining Mid Wisconsin Beverage	292.124	15-881-124-175	10,006	7/1/14-8/31/15	4,266	474	4,740
Leading Effective Change at Ministry Health Care	292.124	15-882-124-175	22,217	7/1/14-8/31/15	11,776	1,310	13,086
Moving Students Through the Nursing Pathway to Employment	292.124	15-801-124-136	260,856	7/1/15-6/30/16	260,857		260,857
Career Pathways for Educational Attainment - IT, Manufacturing and Health	292.124	15-820-124-126	364,583	7/1/15-6/30/16	364,583	121,527	486,110
First Year Experiences/Learning Communities and Academix Tutoring	292.124	15-824-124-166	221,311	7/1/15-6/30/16	221,313	73,700	295,013
Consortium: Human Services: Expansion of Substance Abuse							
Technical Diploma Training (NTC/NATC)	292.124	15-827-124-136	289,945	7/1/15-6/30/16	288,993		288,993
Crop Production and Management Associate Degree	292.124	15-828-124-146	200,000	7/1/15-6/30/16	200,000		200,000
NTC Transportation Technology Mobile Lab	292.124	15-838-124-186	150,000	7/1/15-6/30/16	131,608		131,608
Electrical and Instrumentation Apprenticeship	292.124	15-839-124-116	11,500	7/1/15-6/30/16	11,500		11,500
NTC Adjunct Faculty Academy	292.124	15-849-124-156	55,997	7/1/15-6/30/16	55,771		55,771
Millwrights Apprentice - Related Instruction	292.124	15-857-124-116	8,000	7/1/15-6/30/16	7,993		7,993
Industrial Electrical Apprentice - Related Instruction	292.124	15-858-124-116	8,000	7/1/15-6/30/16	8,000		8,000
Graphic Communication Technologies - Robust Training for Core Industry	292.124	15-864-124-136	225,606	7/1/15-6/30/16	225,607		225,607
Northcentral East Region Business Consortium	292.124	15-879-124-176	197,551	7/1/15-8/31/16	180,992	20,108	201,100
Expera Specialty Solutions	292.124	15-885-124-176	42,697	7/1/15-8/31/16	34,116	3,679	37,795
Advancing Core Employee Skills at Church Mutual	292.124	15-877-124-176	22,962	7/1/15-8/31/16	20,385	2,268	22,653
Northcentral Business Consortium	292.124	15-875-124-176	199,747	7/1/15-8/31/16	192,357	21,374	213,731
Pine Crest: Certified Nursing Assistant - Senior Academy	292.124	15-886-124-176	10,286	7/1/15-8/31/16	9,573	1,064	10,637
Chippewa Valley Technical College							
Manufacturing Assistance	292.124	01-586-124-185	5,966	7/1/15-6/30/16	1,673		1,673
AMN-NW Gold Collar Careers	292.124	01-687-124-186	66,010	7/1/15-6/30/16	9,985		9,985
Phillips Medisize	292.124	01-613-124-176	111,544	7/1/15-8/31/16	2,037		2,037
Total 292.124					2,270,148	248,479	2,518,627

Northcentral Technical College District

Schedule of Expenditures of State Awards (Continued)

Year Ended June 30, 2016

Awarding Agency Pass-Through Agency Award Description	State I.D. Number	Pass-Through Agency Number	Program or Award Amount	Program Period	Revenues		Total
					State	Match	Expenditures
Wisconsin Technical College System (Continued)							
Direct Programs							
Fire Certification Training	292.137	None assigned	\$37,009	7/1/15-6/30/16	\$37,009	\$0	\$37,009
Hazmat Training	292.138	None assigned	6,068	7/1/15-6/30/16	2,584		2,584
Property Tax Relief Aids	292.162	None assigned	13,229,408	7/1/15-6/30/16	13,229,409		13,229,409
Kikkoman Culinary Arts Scholarship	292.195	15-926-195-116	25,000	7/1/15-6/30/16	25,000		25,000
Total Wisconsin Technical College System					21,130,404	248,479	21,378,883
Wisconsin Department of Natural Resources							
State Aid in Lieu of Property Taxes	370.503	None assigned	26,979	7/1/15-6/30/16	26,979		26,979
Logging Funds	370.544	None assigned	200,000	7/1/15-6/30/16	1,617		1,617
Total Wisconsin Department of Natural Resources					28,596		28,596
Wisconsin Department of Workforce Development							
Direct Program							
Local Youth Apprenticeship	445.107	1U	293,318	7/1/15-6/30/16	293,318	146,659	439,977
Wisconsin Fast Forward - Blueprint for Prosperity	445.109	BP142TC-NC	2,264,812	7/1/14-6/30/16	1,217,547		1,217,547
Academy-to-Work: Health and Welding Career Pathway	445.109	BP142HSP-24	149,641	7/1/14-10/31/15	143,303	31,553	174,856
Total 445.109					1,360,850	31,553	1,392,403
Total Wisconsin Department of Workforce Development					1,654,168	178,212	1,832,380
Wisconsin Department of Justice							
Direct Program							
POSC Instructor Course	455.231	2016-LE-01-11500	13,119	7/1/15-6/30/16	11,761		11,761
Wisconsin Department of Revenue							
Direct Program							
State Aid - Computer	835.109	None assigned	106,307	7/1/15-6/30/16	106,307		106,307
Wisconsin Department of Transportation							
Direct Program							
Motorcycle Safety - Basic Rider	20.395 (4)(aq)	0094-15-13	23,224	3/1/15-10/15/15	23,224		23,224
Motorcycle Safety - Rider Coach Preparation Course	20.395 (4)(aq)	0094-15-03	5,968	3/1/15-10/15/15	4,430		4,430
Motorcycle Safety - Basic Rider Course 2	20.395 (4)(aq)	0094-15-27	584	3/1/15-10/15/15	40		40
Total Wisconsin Department of Transportation					27,694		27,694
TOTAL STATE AWARDS					\$24,313,543	\$426,691	\$24,740,234

See Independent Auditor's Report.

See accompanying notes to the 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 include the federal and state grant activity of the District under programs of the federal and state government for the year ended June 30, 2016. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *State Single Audit Guidelines*. Because the schedules present only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the District.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Costs

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

Note 4: Subrecipient Awards

The District had no awards to subrecipients and did not otherwise serve as a pass-through entity for Federal or State awards in the current year.

Note 5: Reconciliation

Federal:

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

Operating revenues - Federal grants	\$10,358,425
Adjustment - Federal Family Education Loans (CFDA No. 84.032)	7,410,152

Revenues per schedule of expenditures of federal awards	\$17,768,577
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State:

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

Operating revenues - State grants	\$5,336,002
Non-operating revenues - State operating appropriations	18,968,541

Total State revenues	24,304,543
Adjustment - Nursing Student Loans (State ID No. 235.117)	9,000

Revenues per schedule of expenditures of state awards	\$24,313,543
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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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net investment in capital assets	\$28,497,678	\$29,039,852	\$29,746,802	\$28,929,853	\$26,198,655	\$23,869,432	\$23,167,571	\$24,182,581	\$25,442,347	\$25,384,501
Restricted for debt service	11,161,982	10,121,109	9,264,121	9,022,841	8,833,890	7,992,407	7,392,848	6,434,911	6,135,693	5,935,366
Restricted for pension benefit		4,402,643								
Unrestricted	18,639,591	21,614,051	19,179,833	21,597,609	21,362,082	21,903,976	18,774,063	15,233,783	15,311,499	12,083,114
Total net position	\$58,299,251	\$65,177,655	\$58,190,756	\$59,550,303	\$56,394,627	\$53,765,815	\$49,334,482	\$45,851,275	\$46,889,539	\$43,402,981

Northcentral Technical College District

Changes in Net Position

Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Operating revenues:										
Student program fees, net of scholarship allowances	\$5,083,670	\$4,485,648	\$4,774,640	\$4,560,101	\$4,449,494	\$4,763,274	\$5,010,132	\$3,855,863	\$3,559,182	\$3,345,774
Student material fees, net of scholarship allowances	398,967	347,126	358,249	347,082	323,597	326,035	473,623	347,049	322,136	317,163
Other student fees, net of scholarship allowances	390,000	340,848	162,453	28,406	53,305	391,829	410,365	585,484	565,540	567,214
Federal grants	10,358,425	11,282,402	11,727,859	12,805,849	11,239,770	12,226,139	9,817,813	6,693,526	5,183,014	4,874,444
State grants	5,336,002	4,926,646	2,753,170	2,552,875	2,084,190	2,058,255	2,016,882	2,208,897	1,720,134	1,451,631
Business and industry contract revenues	2,287,285	2,210,023	1,727,342	1,587,110	1,513,126	1,330,918	1,456,785	1,158,821	1,003,827	566,116
School District contract revenues	669,328	636,323	655,060	676,448	718,401	672,582	809,918	786,151	852,682	813,576
Auxiliary enterprise revenues	3,041,570	3,255,858	3,570,585	3,499,721	3,269,643	3,303,348	3,247,042	3,225,603	2,544,502	2,375,766
Miscellaneous	849,434	1,192,697	1,315,374	1,186,501	1,849,936	1,384,920	725,017	1,885,258	1,114,834	1,198,856
Total operating revenues	28,414,681	28,677,571	27,044,732	27,244,093	25,501,462	26,457,300	23,967,577	20,746,652	16,865,851	15,510,540
Operating expenses:										
Instruction	31,222,473	31,142,075	30,151,286	28,663,343	29,168,448	29,240,881	27,994,288	28,789,051	25,337,518	23,197,202
Instructional resources	1,826,568	1,673,428	1,482,282	968,416	1,443,681	1,555,590	1,441,419	2,035,950	1,548,414	1,422,652
Student services	4,164,310	4,191,157	4,129,864	4,618,620	4,489,910	4,446,312	4,392,581	4,603,935	4,032,140	2,915,334
General institutional	12,217,745	10,890,678	10,027,128	8,878,857	7,896,147	7,759,836	7,622,418	8,014,298	6,986,933	6,038,859
Physical plant	4,280,141	4,767,258	4,931,756	4,553,487	4,314,570	4,275,844	4,724,494	5,115,885	4,322,263	3,207,191
Auxiliary enterprise services	3,472,975	3,389,300	3,382,427	3,217,110	2,925,590	3,295,623	3,563,537	3,358,132	2,232,575	2,244,242
Public service			45,415		36,277					13,322
Depreciation	7,494,047	6,234,479	6,562,946	4,938,861	4,140,351	3,471,890	3,515,954	3,239,892	2,935,133	3,756,386
Student aid	2,659,220	3,003,411	3,576,225	3,344,454	3,896,221	4,986,774	3,703,967	1,747,427	1,264,596	1,142,200
Total operating expenses	67,337,479	65,291,786	64,289,329	59,183,148	58,311,195	59,032,750	56,958,658	56,904,570	48,659,572	43,937,388
Operating loss	(38,922,798)	(36,614,215)	(37,244,597)	(31,939,055)	(32,809,733)	(32,575,450)	(32,991,081)	(36,157,918)	(31,793,721)	(28,426,848)
Non-operating revenues (expenses):										
Property taxes	19,233,396	18,457,033	31,075,521	30,099,517	30,811,262	30,427,497	29,891,889	28,820,520	27,606,561	26,451,712
State operating appropriations	18,968,541	19,177,118	5,174,400	5,320,056	4,976,632	7,090,620	7,276,964	6,623,586	6,224,200	6,426,460
Loss on disposal of capital assets	(16,649)				(17,048)	(6,980)	(43,588)			(6,219)
Investment income earned	88,442	75,530	124,243	80,276	136,086	112,977	159,093	318,841	695,381	702,019
Interest expense	(461,430)	(454,482)	(489,114)	(405,118)	(491,127)	(617,331)	(722,535)	(643,293)	(621,880)	(559,083)
Transfer of capital assets to Wausau Area Community Network		(1,593,733)								
Total non-operating revenues (expenses)	37,812,300	35,661,466	35,885,050	35,094,731	35,415,805	37,006,783	36,561,823	35,119,654	33,904,262	33,014,889
Income (loss) before other changes in net position	(1,110,498)	(952,749)	(1,359,547)	3,155,676	2,606,072	4,431,333	3,570,742	(1,038,264)	2,110,541	4,588,041
Impairment gain on tornado damage					22,740					
State capital grant										1,800
Federal capital grant									2,855	10,117
Other - Cumulative effect of change in accounting principle		(5,767,906)	7,939,648				(87,535)			
Total change in net position	(\$1,110,498)	(\$6,720,655)	\$6,580,101	\$3,155,676	\$2,628,812	\$4,431,333	\$3,483,207	(\$1,038,264)	\$2,113,396	\$4,599,958

The District implemented GASB 65 beginning with fiscal year ended June 30, 2012, and restated fiscal year ended June 30, 2010, as a result.

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

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

Northcentral Technical College District

Distribution of Real Property Value on an Equalized Basis

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

Last Ten Calendar Years

Calendar Year	Residential	Commercial	Manufacturing	Agriculture and Ag Forest	Undeveloped	Forest	Other	Personal Property	Total	District Equalized Valuation (2)	Total Direct Tax Rate (3)
2006	\$9,311,866,631	\$2,051,214,720	\$466,585,400	\$264,742,967	\$111,920,426	\$897,768,040	\$522,741,342	\$368,731,347	\$13,995,570,873	\$12,858,126,272	1.88567
% of Total	66.53%	14.66%	3.33%	1.89%	0.80%	6.41%	3.74%	2.63%			
2007	10,241,038,274	2,322,261,400	495,553,700	289,012,313	124,075,641	971,273,130	557,816,392	396,591,517	15,397,622,367	13,568,574,293	1.86375
% of Total	66.51%	15.08%	3.22%	1.88%	0.81%	6.31%	3.62%	2.58%			
2008	10,736,754,964	2,441,913,230	532,117,600	306,556,752	132,127,662	1,015,503,896	580,657,787	412,952,074	16,158,583,965	14,238,122,458	1.84922
% of Total	66.45%	15.11%	3.29%	1.90%	0.82%	6.28%	3.59%	2.56%			
2009	11,020,106,409	2,498,532,660	541,387,600	325,234,760	141,021,797	1,058,598,001	599,760,897	415,735,775	16,600,377,899	14,265,579,474	1.91253
% of Total	66.38%	15.05%	3.26%	1.96%	0.85%	6.38%	3.61%	2.50%			
2010	11,220,520,984	2,550,888,270	550,273,400	345,294,135	151,627,637	1,083,784,881	619,995,157	427,814,347	16,950,198,811	14,033,818,581	1.97621
% of Total	66.20%	15.05%	3.25%	2.04%	0.89%	6.39%	3.66%	2.52%			
2011	11,329,151,644	2,562,749,250	551,721,700	353,685,107	154,952,137	1,083,720,144	628,773,357	417,912,401	17,082,665,740	13,919,063,083	2.02251
% of Total	66.32%	15.00%	3.23%	2.07%	0.91%	6.34%	3.68%	2.45%			
2012	11,378,295,085	2,539,098,460	564,778,200	360,404,136	157,045,782	1,078,808,944	624,930,340	419,615,926	17,122,976,873	13,577,381,656	2.02250
% of Total	66.45%	14.83%	3.30%	2.10%	0.92%	6.30%	3.65%	2.45%			
2013	11,382,792,954	2,596,436,300	535,848,700	360,002,686	159,293,342	1,060,060,963	617,295,452	440,207,124	17,151,937,521	13,565,091,841	2.08521
% of Total	66.36%	15.14%	3.12%	2.10%	0.93%	6.18%	3.60%	2.57%			
2014	11,390,744,716	2,638,766,060	534,072,500	359,750,959	158,843,863	1,039,358,224	617,269,000	446,792,459	17,185,597,781	13,785,484,262	1.21807
% of Total	66.28%	15.35%	3.11%	2.09%	0.92%	6.05%	3.59%	2.60%			
2015	11,331,535,626	2,646,624,060	567,484,300	356,933,851	158,036,666	1,014,520,616	612,601,290	455,117,467	17,142,853,876	13,910,543,454	1.26109
% of Total	66.10%	15.44%	3.31%	2.08%	0.92%	5.92%	3.57%	2.65%			

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District Direct Rates										
Operational (1)	0.635	0.627	1.510	1.497	1.499	1.499	1.473	1.468	1.478	1.481
Debt Service	0.626	0.591	0.575	0.526	0.523	0.476	0.439	0.382	0.386	0.404
Total Direct Rate	1.261	1.218	2.085	2.023	2.022	1.975	1.912	1.850	1.864	1.885
<u>Clark County</u>										
T Beaver	22.00	21.55	21.53	20.55	20.49	20.58	18.89	18.89	20.64	20.40
T Colby	21.27	20.74	20.84	21.42	19.56	18.98	18.36	18.69	19.73	18.51
T Eaton	24.28	24.18	25.01	24.23	23.49	23.20	21.67	21.81	22.40	22.09
T Fremont	22.24	22.38	22.52	22.52	22.43	21.92	20.16	19.52	19.10	19.17
T Green Grove	19.85	20.02	19.16	19.64	19.70	19.80	18.35	17.47	18.49	18.36
T Hoard	18.78	18.62	17.23	18.45	19.20	20.33	18.65	17.02	17.09	17.43
T Loyal	22.08	21.60	21.55	20.56	20.63	20.69	18.96	18.87	20.51	19.87
T Mayville	23.33	23.37	22.39	22.78	21.60	21.00	20.18	20.26	20.71	20.10
T Sherman	20.81	20.73	20.59	20.10	19.95	19.26	18.26	17.75	19.10	18.79
T Unity	21.25	21.39	21.36	21.65	20.69	19.85	19.21	19.19	20.49	19.64
T Warner	25.73	25.75	26.46	25.64	24.93	24.56	22.97	21.91	22.50	22.22
T Weston	20.39	19.92	20.72	21.63	21.16	20.76	19.45	18.60	19.44	19.11
T York	21.03	21.04	21.37	21.58	21.47	21.21	19.07	18.90	20.00	19.59
V Curtiss	32.94	32.81	31.04	31.49	30.84	27.81	24.10	28.28	26.90	26.50
V Dorchester	25.37	25.51	25.69	26.40	24.42	24.07	23.49	23.77	24.61	23.10
V Unity	23.34	23.38	23.39	23.83	22.31	21.30	20.63	21.04	22.35	21.44
C Abbottsford	27.85	26.49	26.57	26.60	25.33	24.86	24.19	23.51	23.14	22.91
C Colby	27.38	28.13	28.60	28.43	26.63	25.23	24.82	24.79	25.94	24.96
C Loyal	30.88	29.33	29.22	27.34	28.24	27.00	25.14	25.01	26.48	26.12
<u>Langlade County</u>										
T Ackley	17.58	17.62	17.79	16.84	18.11	17.52	16.32	15.39	15.75	16.85
T Antigo	18.35	18.55	19.05	18.30	19.49	18.93	17.75	16.79	17.05	18.15
T Evergreen	20.75	19.57	20.58	20.27	20.62	20.68	19.37	18.04	17.39	18.95
T Langlade	17.16	17.34	17.81	17.12	18.39	17.92	16.80	15.85	16.18	17.37
T Neva	18.26	17.77	18.13	17.52	18.62	18.01	16.26	15.33	15.82	16.78
T Norwood	17.31	17.63	18.05	17.34	18.61	18.00	16.85	16.01	16.45	17.65
T Peck	16.34	16.65	17.04	16.33	17.52	16.96	15.92	15.06	15.46	16.52
T Polar	17.67	17.89	18.24	17.53	18.85	18.32	17.06	16.26	16.73	17.85
T Price	16.79	17.07	17.50	16.78	18.05	17.48	16.26	15.42	15.83	16.93
T Rolling	18.29	18.65	19.05	18.23	19.50	18.89	17.78	16.97	17.37	18.29
T Summit	16.65	16.93	17.37	16.67	17.94	17.29	16.16	15.33	15.70	16.79
T Upham	13.38	13.62	14.23	13.55	13.78	13.67	13.44	11.98	12.51	13.08
T Vilas	17.62	17.46	17.89	17.20	18.48	17.86	16.74	15.88	16.27	17.40
T Wolf River	20.14	19.03	20.00	19.74	20.08	20.16	18.90	17.60	17.04	18.59
V White Lake	26.00	24.92	26.06	26.15	26.54	26.92	25.65	24.38	24.53	25.04
C Antigo	25.45	25.78	26.01	25.50	26.48	25.87	25.61	24.40	24.32	25.49
<u>Lincoln County</u>										
T Birch	17.61	18.27	18.42	17.23	17.08	17.44	15.96	15.14	15.33	14.65
T Corning	19.30	19.97	20.20	18.97	19.15	19.46	17.87	16.88	17.27	16.66
T Harding	18.31	18.93	19.12	17.58	17.79	18.14	16.64	15.61	16.01	15.40
T Harrison	16.35	16.54	17.54	16.13	16.31	16.16	15.05	14.36	15.06	14.56

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Lincoln County (Continued)</u>										
T Merrill	18.73	19.37	19.51	18.32	18.54	19.01	17.36	16.37	16.81	16.09
T Pine River	19.67	20.39	20.64	19.35	19.51	19.84	18.08	17.04	17.68	16.93
T Rock Falls	17.93	18.55	18.83	17.62	17.89	18.14	16.76	15.79	16.25	15.54
T Russell	19.14	19.67	19.78	18.55	18.76	19.20	17.62	16.48	16.76	16.21
T Schley	18.16	18.82	18.98	17.75	17.98	18.34	16.84	15.79	16.18	15.56
T Scott	19.69	20.41	20.51	19.20	19.50	19.81	18.28	17.15	17.51	17.01
C Merrill	32.08	33.00	31.02	29.17	29.48	29.79	27.88	26.10	26.19	25.35
<u>Marathon County</u>										
T Bergen	17.48	18.16	19.25	18.99	19.11	18.52	17.54	17.00	16.70	17.33
T Berlin	20.21	19.98	20.69	20.66	20.79	20.45	19.63	18.43	18.99	19.04
T Bern	19.18	19.02	19.89	19.83	19.48	19.74	18.86	18.60	18.46	18.35
T Bevent	18.23	18.88	18.82	18.99	17.84	17.65	19.67	17.46	18.50	17.21
T Brighton	19.58	19.85	20.50	20.91	20.11	18.92	18.99	18.59	19.23	18.58
T Cassel	18.51	18.57	18.91	19.20	19.27	18.41	17.70	16.81	17.01	17.01
T Cleveland	17.99	18.14	19.15	18.93	18.86	18.11	17.34	16.92	17.04	17.21
T Day	19.66	20.13	20.58	20.36	20.03	19.31	18.50	17.37	17.02	17.58
T Easton	22.15	22.34	21.92	21.75	21.17	20.67	19.94	20.68	19.89	19.09
T Eau Pleine	16.88	17.17	18.12	17.83	17.77	16.95	16.21	15.86	15.79	16.09
T Elderon	17.50	17.78	17.45	17.91	17.71	16.73	16.86	15.12	15.03	15.69
T Emmet	17.98	18.34	18.68	18.58	18.69	17.93	17.07	16.45	16.41	16.27
T Frankfort	18.66	18.69	19.48	19.49	18.83	18.21	17.68	17.54	17.82	17.57
T Franzen	18.36	18.69	17.69	17.88	17.67	16.99	17.16	15.29	15.17	15.69
T Green Valley	19.14	19.57	20.74	20.48	20.46	19.74	18.51	17.91	17.63	17.50
T Guenther	20.10	20.99	21.77	21.98	21.52	20.83	19.64	19.50	18.38	18.02
T Halsey	20.53	20.42	21.28	20.07	19.72	20.15	19.24	18.94	18.79	18.52
T Hamburg	19.47	20.10	19.95	19.26	19.39	19.63	18.47	17.65	17.97	17.86
T Harrison	16.44	16.74	17.15	16.54	17.75	17.25	16.55	15.86	16.30	17.27
T Hewitt	22.21	21.95	22.55	22.59	22.66	22.20	21.22	19.97	20.56	20.77
T Holton	17.96	18.07	18.60	18.88	17.62	17.25	17.01	17.36	17.48	16.81
T Hull	18.08	18.11	18.78	19.46	18.03	17.71	17.59	18.20	18.96	17.81
T Johnson	20.10	19.76	20.39	20.32	19.26	19.90	19.09	18.30	17.92	17.73
T Knowlton	17.40	18.13	19.29	19.06	19.16	18.43	17.35	16.82	16.56	16.13
T Maine	22.11	21.83	21.98	21.93	22.13	21.95	20.95	20.00	20.38	20.44
T Marathon	18.42	18.77	18.77	19.72	19.66	18.66	18.09	17.21	17.37	17.17
T McMillan	18.44	18.55	19.48	19.61	19.11	18.76	18.53	17.70	16.72	18.73
T Mosinee	17.87	18.60	19.60	19.51	19.56	18.89	17.74	17.23	17.01	16.55
T Norrie	17.42	17.66	17.55	17.59	17.37	16.54	16.56	15.02	14.92	15.40
T Plover	20.12	20.43	20.00	20.15	20.51	19.70	19.20	17.85	18.06	18.92
T Reid	17.83	18.27	18.62	18.70	18.55	17.76	17.46	16.34	16.26	16.36
T Rib Falls	18.82	18.67	18.84	19.34	19.36	18.59	17.88	16.99	17.10	17.09
T Rib Mountain	21.75	21.29	22.18	21.99	21.95	21.65	20.79	19.53	20.10	20.02
T Rietbrock	19.89	19.73	20.56	20.39	20.14	20.20	19.27	18.90	18.86	18.73
T Ringle	18.53	18.63	19.65	19.32	18.82	18.33	17.72	17.64	17.60	16.96
T Spencer	18.82	19.22	19.82	20.11	19.89	18.18	18.66	17.47	17.99	17.83
T Stettin	20.88	20.78	21.45	21.72	21.78	21.36	20.61	19.51	20.15	20.18
T Texas	20.97	20.66	21.44	21.38	21.50	21.22	20.31	18.97	19.50	19.43
T Wausau	21.73	21.46	21.64	21.03	20.90	20.79	20.01	18.96	19.36	19.05

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Marathon County (Continued)</u>										
T Weston	19.08	19.09	19.12	18.81	18.31	17.87	17.24	17.17	17.16	16.52
T Wien	18.46	18.21	19.06	18.63	18.81	18.08	17.18	16.43	16.69	16.83
V Athens	25.08	25.13	26.17	26.30	25.63	25.68	24.74	24.48	24.18	24.08
V Birnamwood	19.73	19.86	19.37	19.83	19.56	18.77	19.03	16.98	17.89	17.49
V Brokaw	47.00	37.93	43.17	38.81	30.08	28.97	25.79	24.47	25.25	23.38
V Dorchester	23.75	22.80	23.48	22.35	20.69	21.93	21.43	22.58	23.79	22.64
V Edgar	23.02	22.89	23.37	22.72	22.85	22.32	21.16	20.07	20.52	20.46
V Elderon	18.18	18.55	18.28	18.64	18.33	17.57	17.59	15.89	15.83	16.57
V Fenwood	18.90	18.64	19.46	18.91	19.12	18.53	17.57	16.68	16.97	17.07
V Hatley	20.41	20.50	21.39	21.24	20.47	20.04	19.32	19.18	18.60	18.06
V Kronenwetter	21.69	22.07	22.86	22.60	21.95	21.12	19.89	19.62	19.36	18.82
V Marathon	23.75	23.98	23.94	25.00	24.55	23.53	22.79	21.83	22.20	21.69
V Rothschild	24.91	24.72	25.53	24.89	23.86	23.45	22.91	22.56	22.43	21.80
V Spencer	23.95	24.75	25.11	25.27	25.19	23.18	23.63	22.40	23.16	22.83
V Stratford	20.60	21.47	22.49	22.26	22.05	21.19	20.29	19.86	19.61	19.65
V Unity	19.70	19.90	20.84	21.40	20.14	19.29	18.93	19.07	20.04	19.21
V Weston	23.73	23.66	24.40	23.99	23.14	22.76	21.89	21.66	21.76	21.18
C Abbotsford	23.98	24.30	24.54	24.58	23.26	23.01	22.44	21.73	21.28	21.44
C Colby	24.32	24.92	26.08	25.88	24.16	23.00	22.95	23.02	23.89	22.98
C Mosinee	23.53	23.68	24.52	24.20	23.81	22.90	21.76	21.02	20.91	20.53
C Schofield	25.47	24.87	25.54	25.21	24.73	24.43	23.40	23.03	23.16	22.47
C Wausau	27.49	26.77	27.89	27.49	27.29	27.03	26.00	24.42	25.56	25.22
<u>Menominee County</u>										
T Menominee	22.86	22.48	22.71	21.63	20.61	20.49	19.08	20.53	22.45	22.12
<u>Portage County</u>										
T Alban	20.13	20.71	20.94	20.66	19.22	19.40	21.15	18.71	19.80	18.22
T New Hope	17.49	17.89	18.67	18.53	17.69	17.58	17.77	15.95	16.83	15.89
T Sharon	18.42	18.56	19.76	19.52	18.69	18.41	19.75	17.98	18.46	17.38
T Stockton	17.34	17.21	19.07	18.75	18.20	18.14	18.48	17.28	17.30	17.14
V Rosholt	23.61	24.50	24.98	22.99	21.81	21.40	23.19	20.62	21.46	19.22
<u>Price County</u>										
T Catawba	17.78	16.93	17.89	18.04	17.27	17.56	16.19	15.98	15.96	16.10
T Eisenstein	16.85	14.80	16.36	16.13	15.43	17.00	16.10	13.69	13.63	14.62
T Elk	18.89	17.47	18.33	18.63	17.69	18.01	16.59	16.57	16.68	16.58
T Emery	17.93	16.88	17.72	17.99	17.17	17.47	16.03	15.92	15.98	15.93
T Fifield	18.39	16.67	18.35	18.20	17.43	19.03	18.36	15.91	15.85	16.98
T Flambeau	18.91	17.58	18.72	18.39	17.50	17.74	16.30	16.14	16.15	16.13
T Georgetown	18.26	17.16	18.06	18.29	17.45	17.67	16.44	16.29	16.36	16.46
T Hackett	19.95	18.30	19.66	19.13	18.99	19.23	17.82	16.78	16.81	17.38
T Harmony	19.29	17.77	18.56	18.63	17.84	18.11	16.65	16.56	16.54	16.78
T Hill	19.56	18.42	19.88	19.29	19.17	19.31	18.09	17.19	17.06	17.37
T Kennan	19.31	17.84	18.77	19.04	18.16	18.31	17.26	17.06	16.98	17.27
T Knox	18.90	17.70	19.68	19.16	19.27	19.53	18.31	16.90	16.95	17.62
T Lake	16.88	15.86	17.50	17.17	16.43	17.83	17.01	14.56	14.62	15.70
T Ogema	21.19	19.06	20.98	19.48	19.61	19.84	18.60	17.13	17.06	17.71

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Price County (Continued)</u>										
T Prentice	19.54	18.41	20.07	19.23	19.44	19.54	18.24	16.80	16.79	17.84
T Spirit	20.18	19.18	20.44	19.94	19.49	19.45	18.25	18.13	17.81	17.65
T Worcester	17.94	16.86	17.69	17.95	17.12	17.36	15.89	15.82	15.95	15.87
V Catawba	17.62	16.89	17.81	17.99	17.22	17.55	16.11	15.98	16.06	16.04
V Kennan	17.52	16.80	17.72	17.89	17.16	17.45	15.99	15.87	15.97	15.90
V Prentice	23.06	21.83	23.54	22.89	23.09	23.30	21.81	20.19	20.42	20.68
C Park Falls	29.29	27.18	29.82	27.41	25.45	27.17	25.73	22.61	22.28	22.09
C Phillips	27.78	25.58	26.27	26.74	25.81	25.88	23.99	23.61	24.07	24.52
<u>Shawano County</u>										
T Almon	18.51	18.41	19.09	19.25	19.31	18.09	15.98	15.58	17.59	18.61
T Aniwa	17.41	17.66	17.46	17.50	17.77	17.08	16.58	15.14	15.27	16.21
T Bartelme	16.61	16.50	17.26	17.35	17.40	16.23	14.07	13.78	15.48	16.32
T Birnamwood	17.65	17.86	17.45	17.91	17.58	16.74	16.55	14.61	14.53	15.41
T Fairbanks	21.42	21.25	21.80	20.69	20.40	20.62	18.70	18.09	18.00	19.14
T Germania	18.74	18.67	18.80	18.34	18.07	17.80	16.68	15.48	15.35	16.23
T Grant	19.84	19.77	20.96	19.73	19.05	19.39	18.04	17.29	17.50	18.20
T Hutchins	17.35	17.48	17.97	17.64	18.31	17.63	16.33	15.64	16.64	17.78
T Morris	19.35	19.30	19.73	19.44	19.27	18.71	17.09	16.38	16.99	18.02
T Seneca	18.45	18.47	19.26	19.14	19.04	18.16	16.10	15.77	17.33	18.01
T Wittenberg	17.92	18.05	17.70	18.16	17.81	16.94	16.79	14.84	14.80	15.54
V Aniwa	16.46	16.74	17.07	16.45	17.57	17.08	16.12	15.25	15.75	16.77
V Birnamwood	20.84	21.26	20.54	20.62	20.23	19.53	19.49	17.36	18.33	17.71
V Bowler	17.41	17.31	17.97	18.14	18.17	16.97	14.72	14.31	16.07	16.98
V Eland	18.00	18.68	18.29	18.69	18.35	17.39	16.95	14.90	15.01	15.76
V Mattoon	18.43	18.66	17.20	18.74	19.73	18.81	17.63	16.63	17.26	18.38
V Tigerton	25.16	25.13	25.24	24.11	23.57	23.56	21.11	20.50	20.32	21.51
V Wittenberg	21.25	21.13	20.55	21.00	20.90	20.05	19.74	17.91	18.13	18.69
<u>Taylor County</u>										
T Browning	19.44	19.00	19.99	19.91	19.57	19.01	17.89	16.88	17.03	18.30
T Chelsea	18.98	18.57	19.54	19.33	18.97	18.40	17.26	16.25	16.41	17.62
T Deer Creek	20.54	20.09	21.08	20.99	20.58	20.00	18.80	17.83	17.89	19.18
T Goodrich	19.89	19.43	20.42	20.35	19.98	19.38	18.30	17.17	17.39	18.60
T Greenwood	21.79	21.11	21.74	21.63	20.78	20.62	19.19	19.46	18.88	18.43
T Grover	22.23	22.26	22.63	21.67	20.84	20.59	18.83	18.06	17.94	18.95
T Hammel	20.45	19.94	21.00	20.84	20.31	19.53	18.42	17.36	17.48	18.67
T Holway	20.28	19.83	21.27	20.73	20.36	19.50	17.91	17.90	17.34	18.27
T Little Black	20.04	19.60	20.74	20.63	20.19	19.61	18.42	17.43	17.49	18.92
T Maplehurst	20.33	20.74	20.03	20.28	20.65	21.06	19.28	17.72	17.91	18.97
T Medford	19.79	19.37	20.36	20.32	19.98	19.41	18.19	17.18	17.35	18.60
T Molitor	20.81	20.36	21.35	21.20	20.91	20.34	19.26	18.11	18.30	19.49
T Rib Lake	22.63	21.91	22.59	22.57	21.61	21.45	20.03	20.36	19.83	19.41
T Westboro	23.03	22.23	22.81	22.89	22.01	21.88	20.42	20.62	20.15	19.84
V Rib Lake	26.35	25.62	26.45	26.75	26.01	25.99	24.06	24.37	23.82	23.24
V Stetsonville	19.89	19.28	20.41	20.46	19.98	19.49	18.23	17.24	17.22	18.47
C Medford	24.76	24.29	25.35	25.18	24.76	24.14	22.66	21.35	21.33	22.78

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Waupaca County</u>										
T Harrison	20.14	20.20	20.52	20.35	19.23	19.27	19.63	17.54	18.45	17.79
T Wyoming	18.91	19.12	20.13	19.05	18.17	18.37	17.35	16.40	16.63	16.87

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, 2016			Year Ended June 30, 2007		
		2015 Equalized Valuation	Rank	Percent of NTC Total Equalized Valuation	2006 Equalized Valuation	Rank	Percent of NTC Total Equalized Valuation
Apogee Wausau Group Inc.	Manufacturer of doors and windows	\$30,829,300	1	0.20%			
Wausau Insurance/Liberty Mutual	Insurance	29,120,000	2	0.19%			
Packaging Corporation of America	Paper mill/manufacturer of corrugated medium	26,077,400	3	0.17%	\$26,597,655	8	0.19%
Kocurek Holdings Inc.	Retail	25,494,400	4	0.17%			
Menards Inc.	Retail	22,901,100	5	0.15%			
Saint Clare's Hospital	Health care	22,489,800	6	0.15%	24,249,540	9	0.17%
Greenheck Fan Corporation	Manufacturer of industrial fans	21,542,700	7	0.14%	23,204,915	10	0.17%
First Wausau Tower LLC	Commercial high-rise building	20,898,700	8	0.14%			
Marshfield Clinic	Health care	20,698,000	9	0.14%	52,629,539	1	0.38%
Abbyland Foods Inc.	Manufacturer of meat products	15,637,000	10	0.10%			
Plum Creek Timberlands	Timber				52,261,166	2	0.37%
Tomahawk Timberland LLC	Timber				47,892,366	3	0.34%
Employers Insurance of Wausau	Insurance				47,143,259	4	0.34%
Wausau-Mosinee Paper Corporation	Manufacturer of paper products				42,690,701	5	0.30%
ASPIRUS (Wausau)	Health care				33,100,502	6	0.24%
Wal-Mart Properties	Retail				27,247,935	7	0.19%
Totals		\$235,688,400		1.55%	\$377,017,578		2.69%
Northcentral Technical College Equalized Valuation (TID Out)		\$15,250,959,190			\$14,028,612,329		

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, 2016	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$26,453,295	\$18,279,627	69.10%	\$8,173,668	\$26,453,295	100.00%
2008	27,612,283	19,017,502	68.87%	8,594,781	27,612,283	100.00%
2009	28,825,835	19,483,735	67.59%	9,342,100	28,825,835	100.00%
2010	29,889,770	20,076,075	67.17%	9,813,695	29,889,770	100.00%
2011	30,356,734	20,389,319	67.17%	9,967,415	30,356,734	100.00%
2012	30,813,128	20,957,574	68.02%	9,855,554	30,813,128	100.00%
2013	30,098,272	20,661,950	68.65%	9,436,322	30,098,272	100.00%
2014	31,070,611	21,655,487	69.70%	9,415,124	31,070,611	100.00%
2015	18,408,799	12,899,921	70.07%	5,508,878	18,408,799	100.00%
2016	19,232,908	13,600,130	70.71%	5,632,778	19,232,908	100.00%

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Obligation Debt										
General obligation notes	\$45,450,000	\$40,585,000	\$38,265,000	\$36,115,000	\$31,525,000	\$29,915,000	\$27,940,000	\$25,200,000	\$23,005,000	\$21,275,000
Debt service fund assets available	(1,986,343)	(1,852,626)	(1,496,700)	(1,109,910)	(1,345,396)	(1,191,976)	(1,059,175)	(1,013,297)	(924,962)	(838,553)
Net general obligation debt	\$43,463,657	\$38,732,374	\$36,768,300	\$35,005,090	\$30,179,604	\$28,723,024	\$26,880,825	\$24,186,703	\$22,080,038	\$20,436,447
Per capita	\$202.89	\$180.54	\$171.46	\$153.29	\$132.33	\$121.61	\$114.06	\$103.41	\$95.02	\$88.50
Per full-time equivalent student	\$12,702.36	\$11,304.76	\$9,942.48	\$9,309.12	\$8,073.51	\$7,474.31	\$7,279.06	\$7,637.34	\$7,481.72	\$7,487.52
Percent of equalized value	0.27%	0.24%	0.24%	0.23%	0.19%	0.18%	0.16%	0.15%	0.14%	0.14%
Percent of personal income	0.44%	0.41%	0.41%	0.41%	0.35%	0.35%	0.34%	0.30%	0.27%	0.26%
General Obligation and Other Debt										
General obligation notes	\$45,450,000	\$40,585,000	\$38,265,000	\$36,115,000	\$31,525,000	\$29,915,000	\$27,940,000	\$25,200,000	\$23,005,000	\$21,275,000
Plus deferred premium	846,977	675,454	607,005	554,005	339,765	247,128	125,301	80,834	66,887	75,672
Plus capital lease obligations				4,773	60,253	112,559	161,870	208,360		
General obligation and other debt	\$46,296,977	\$41,260,454	\$38,872,005	\$36,673,778	\$31,925,018	\$30,274,687	\$28,227,171	\$25,489,194	\$23,071,887	\$21,350,672
Per capita	\$216.11	\$192.33	\$181.27	\$160.59	\$139.98	\$128.17	\$119.78	\$108.98	\$99.29	\$92.46
Per full-time equivalent student	\$13,530.40	\$12,042.63	\$10,511.35	\$9,752.89	\$8,540.44	\$7,878.08	\$7,643.63	\$8,048.63	\$7,817.80	\$7,822.48
Percent of equalized value	0.29%	0.26%	0.25%	0.24%	0.20%	0.19%	0.17%	0.16%	0.15%	0.15%
Percent of personal income	0.46%	0.43%	0.43%	0.43%	0.37%	0.36%	0.35%	0.32%	0.28%	0.28%

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, 2016

Name of Entity (1)	Net Debt Outstanding	Percent Applicable to District (2)	Outstanding Debt Applicable to District
Clark County	\$1,881,464	27.59 %	\$519,096
Langlade County	1,242,633	68.19	847,351
Lincoln County	10,155,000	48.58	4,933,299
Marathon County	11,395,000	96.64	11,012,128
Menominee County	1,360,050	100.00	1,360,050
Portage County	7,925,000	4.30	340,775
Price County	690,209	100.00	690,209
Shawano County	2,619,161	20.72	542,690
Taylor County	4,635,000	80.38	3,725,613
Waupaca County	29,635,000	0.79	234,117
Total Cities	88,079,524	100.00	88,079,524
Total Towns	11,565,066	Varies	10,518,216
Total Villages	48,653,571	100.00	48,653,571
Total School Districts	132,677,022	Varies	132,313,353
Total Sanitary Districts	14,979,754	100.00	14,979,754
Subtotal, overlapping debt			318,749,747
District direct debt			
General Obligation Notes			45,450,000
Deferred Premium			846,977
Total direct and overlapping debt			\$365,046,724
2015 equalized valuation - TID In			\$15,995,685,940
Direct, overlapping, and underlying indebtedness as a percentage of equalized valuation			2.28%
Population of District			214,225
Direct, overlapping, and underlying indebtedness - Per capita			\$1,704

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, 2016

Legal Debt Margin Calculation for Fiscal Year 2016

2015 Equalized Valuation - TID In	\$15,995,685,940 x 5%
Total debt limit - 5% of equalized valuation	799,784,297
Debt applicable to limit:	
General obligation notes	\$45,450,000
Less: debt service funds available (GAAP Basis)	1,986,343
Total amount of debt applicable to debt limit	43,463,657
Legal total debt margin	\$756,320,640

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
2007	\$729,719,741	\$20,436,447	\$709,283,294	2.80%
2008	774,310,921	22,080,038	752,230,883	2.85%
2009	817,607,983	24,186,703	793,421,280	2.96%
2010	819,616,285	26,880,825	792,735,460	3.28%
2011	801,019,744	28,723,024	772,296,720	3.59%
2012	794,725,560	30,179,604	764,545,956	3.80%
2013	774,738,639	35,005,090	739,733,549	4.52%
2014	777,917,097	36,768,300	741,148,797	4.73%
2015	791,190,524	38,732,374	752,458,150	4.90%
2016	799,784,297	43,463,657	756,320,640	5.43%

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 2007 to 2016, 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	County Population (2)						Total	Per Capita Personal Income (4)						Unemployment Rate (6)					
	Population(3)	Marathon	Lincoln	Langlade	Menominee	Price	Taylor	Personal Income (5)	Marathon	Lincoln	Langlade	Menominee	Price	Taylor	Marathon	Lincoln	Langlade	Menominee	Price	Taylor
2007	230,915	134,028	30,562	21,517	4,606	16,069	20,049	\$7,732,908	\$37,727	\$34,205	\$31,333	\$21,468	\$31,109	\$28,165	3.7	5.1	5.9	9.6	4.6	5.6
2008	232,373	135,190	30,681	21,680	4,630	16,088	20,065	8,096,300	39,014	36,013	33,830	22,029	33,321	29,171	5.4	7.6	8.1	10.4	7.0	8.3
2009	233,887	136,376	30,781	21,844	4,655	16,173	20,177	8,025,466	38,304	36,540	34,174	24,158	32,969	28,417	9.5	11.9	11.0	13.5	11.3	12.1
2010	235,667	134,063	28,743	19,977	4,232	14,159	20,689	7,958,987	37,910	35,256	34,113	24,524	33,995	29,038	7.8	10.1	10.1	15.3	9.4	9.2
2011	236,199	134,414	28,668	19,901	4,202	14,000	20,681	8,323,032	39,765	36,702	35,550	24,472	34,976	30,130	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	8,514,153	40,433	36,715	37,559	25,348	37,242	31,970	6.7	8.4	8.8	15.1	7.1	6.6
2013	228,363	134,679	29,134	19,835	4,221	14,117	20,720	8,624,213	40,828	36,724	37,855	25,955	37,418	32,775	5.8	7.4	8.2	13.4	6.2	6.6
2014	214,440	134,803	28,816	19,847	4,236	14,155	20,733	9,051,439	42,941	38,486	39,355	25,919	39,454	34,260	3.9	5.2	6.4	9.9	4.4	5.1
2015	214,532	135,341	28,835	19,907	4,224	14,133	20,715	9,500,387	45,163	40,333	40,914	25,883	41,601	35,812	3.7	4.9	5.9	7.9	4.7	4.8
2016	214,225	135,483	28,787	19,995	4,256	14,086	20,741	9,972,183	47,501	42,268	42,536	25,847	43,864	37,435	3.9	4.6	5.8	9.2	4.4	3.9

Notes:

- (1) Marathon, Lincoln, and Taylor Counties are the most populous counties in the District. The District includes almost all of the above six (6) counties and parts of four (4) other counties. These six counties comprise over 91% of the District's total equalized valuation.
- (2) Source: Wisconsin Department of Administration, Demographic Services Center (including 2010 Census).
- (3) Source: Wisconsin Technical College System (based on Wisconsin Department of Administration Final Population Estimates).
- (4) Source: U.S. Department of Commerce, Bureau of Economic Analysis.
*Figures for 2015 and 2016 are estimates based on the rate of change from 2013 to 2014, 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 2015 and 2016 are estimates based on the rate of change from 2013 to 2014, subject to future revision.
- (6) Source: Wisconsin Department of Workforce Development. 2016 Unemployment rates are through June 30, 2016.

Northcentral Technical College District

Principal Employers

Current Year and Nine Years Ago

Name of Business	County	Type of Business	Year Ended June 30, 2016			Year Ended June 30, 2007		
			Number of Employees	Rank	Percent of District Population	Number of Employees	Rank	Percent of District Population
Wausau School District	Marathon	Education	1,454	1	0.68 %	1,325	5	0.57
Kolbe & Kolbe Millwork	Marathon	Manufacturer of windows/doors	1,400	2	0.65	1,450	4	0.63
Sheet Metal Workers Local 565	Marathon	Labor organization	1,300	3	0.61			
UMR (United Healthcare Services)	Marathon	Insurance	1,204	4	0.56			
Marathon Cheese Corporation	Marathon	Cheese packaging	1,050	5	0.49			
ASPIRUS Hospital (Wausau only)	Marathon	Hospital	1,001	6	0.47	2,300	3	1.00
Wausau Insurance/Liberty Mutual	Marathon	Insurance	1,000	7	0.47	1,178	8	0.51
Marathon Electric Manufacturing Corp.	Marathon	Electric motor manufacturer	1,000	8	0.47	838	11	0.36
North Central Health Care	Marathon	Medical hospital	999	9	0.47			
Marshfield Clinic	Marathon	Health care	964	10	0.45			
Harley Davidson Motor Co.	Lincoln	Manufacturer of motor cycles	840	11	0.39			
Nestle Pizza Corporation (formerly Kraft Pizza Co.)	Taylor	Manufacturer of frozen pizza	600	12	0.28	400	19	0.17
Aspirus Medford Hospital	Taylor	Hospital	600	13	0.28			
Expera Specialty Solutions	Lincoln	Manufacturer of paper products	521	14	0.24			
Drs. Foster & Smith Inc.	Lincoln	Veterinary care services provider	511	15	0.24			
Packaging Corporation of America	Lincoln	Paper mill/manufacturer of corrugated medium	500	16	0.23	500	16	0.22
Marquip Ward United	Price	Manufacturer of industrial equipment products	500	17	0.23	600	12	0.26
Hurd Windows & Doors, Inc.	Taylor	Manufacturer of windows/doors	500	18	0.23	396	20	0.17
Church Mutual Insurance Company	Lincoln	Insurance	465	19	0.22	533	14	0.23
Lincoln County	Lincoln	Government	454	20	0.21			
ASPIRUS Clinic (Wausau)	Various	Health care				3,500	1	1.52
Greenheck Fan Corporation	Marathon	Manufacturer of industrial fans				2,582	2	1.12
Weathershield Manufacturing Inc.	Taylor	Manufacturer of windows/doors				1,300	6	0.56
Peachtree Companies (SNE Enterprises Inc.)	Marathon	Manufacturer of windows/doors				1,200	7	0.52
Wausau-Mosinee Paper Corporation	Marathon	Manufacturer of paper products				1,145	9	0.50
Eastbay	Marathon	Sporting goods retail/distribution				1,100	10	0.48
Price County Publications	Price	Publisher of newspapers without printing				600	13	0.26
Lincoln Wood Products	Lincoln	Manufacturer of windows/doors				500	15	0.22
Memorial Health Center	Taylor	Health care				500	17	0.22
Hurd Millwork Co., Inc.	Lincoln	Manufacturer of windows/doors				404	18	0.17
Total			16,863		7.87 %	22,351		9.68

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

Northcentral Technical College District

Full-Time Employees by Equal Employment Opportunity Classification

Last Ten Fiscal Years

	Full-Time Employees as of June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>District Totals:</u>										
Executive/Administrative/Managerial	70	61	72	68	69	64	61	57	53	44
Faculty	137	129	121	124	134	147	152	142	161	158
Secretarial/Clerical	49	50	44	50	66	73	79	62	83	71
Professional Nonfaculty	31	36	22	17	21	27	32	22	32	38
Technical/Paraprofessional	44	52	46	46	53	53	44	44	48	42
Skilled Craft	8	9	7	8	7	7	7	7	8	7
Service/Maintenance	4	4	6	6	8	16	12	7	17	19
District Total	343	341	318	319	358	387	387	341	402	379

Sources:

2013-2016 NTC Human Resources Office

2007-2012 WTCS State Office

Northcentral Technical College District

Enrollment Statistics Historical Comparisons Last Ten Fiscal Years

	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Student enrollment:										
Associate degree	21,277	21,848	24,554	31,250	33,672	32,702	33,364	33,582	32,733	32,940
Vocational:										
Diploma	3,650	3,974	4,499	4,115	4,497	4,254	4,656	3,353	3,133	3,302
Adult	15,818	20,782	17,202	14,870	12,914	12,181	14,126	11,606	12,250	12,682
Basic education	12,795	15,837	16,706	17,047	16,031	15,638	14,993	16,005	12,217	14,174
Total duplicated	53,540	62,441	62,961	67,282	67,114	64,775	67,139	64,546	60,333	63,098
Total unduplicated (A)	24,374	27,081	27,060	27,039	25,712	24,745	26,466	24,766	23,958	33,193
Full-time equivalent (B):										
Associate degree	1,809.9	1,904.0	2,089.6	2,652.8	2,844.2	2,790.2	2,762.9	2,775.8	2,658.2	2,603.3
Vocational:										
Diploma	298.6	324.0	355.7	330.4	360.0	354.0	399.9	289.9	244.9	236.2
Adult	150.8	172.2	150.3	134.4	111.8	104.4	105.2	111.0	113.2	122.1
Basic education	470.1	551.0	571.3	575.3	526.9	489.5	492.3	521.4	409.9	460.1
Total unduplicated	2,729.4	2,951.2	3,166.9	3,692.9	3,842.9	3,738.1	3,760.3	3,698.1	3,426.2	3,421.7

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)
2007	\$36,186,375	1.42	2,729	5.24	\$13,260	(3.63)
2008	38,878,049	7.44	2,951	8.13	13,175	(0.64)
2009	42,495,448	9.30	3,167	7.32	13,418	1.84
2010	43,341,038	1.99	3,693	16.61	11,736	(12.54)
2011	44,549,382	2.79	3,843	4.06	11,592	(1.23)
2012	44,195,657	(0.79)	3,738	(2.73)	11,823	1.99
2013	43,881,018	(0.71)	3,760	0.59	11,670	(1.29)
2014	46,510,796	5.99	3,698	(1.65)	12,577	7.77
2015	48,793,478	4.91	3,426	(7.36)	14,242	13.24
2016	48,716,358	(0.16)	3,422	(0.12)	14,236	(0.04)

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
2005-2006	1285	965	840	94%	79%	70%	\$2,491
2006-2007	1316	950	736	94%	77%	68%	2,565
2007-2008	1237	920	734	90%	78%	67%	2,708
2008-2009	1329	892	724	85%	76%	66%	2,875
2009-2010	1461	968	709	87%	70%	67%	2,813
2010-2011	1676	1113	889	89%	68%	64%	2,776
2011-2012	1562	1170	972	86%	69%	61%	2,667
2012-2013	1577	1211	963	86%	74%	67%	2,721
2013-2014	1548	1134	709	93%	79%	65%	2,895
2014-2015	1805	1288	671	93%	80%	67%	3,106

Notes:

(1) Based on a survey of NTC graduates conducted approximately six months after graduation; therefore, 2015-2016 statistics are not available. Statistics include graduates of NTC's post-vocational/technical programs. This data does not reflect the activities of students who complete portions of their programs.

(2) Apprenticeship graduate data is excluded.

Northcentral Technical College District

Square Footage of District Facilities

Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
NTC - Wausau:										
Main building	329,519	325,519	325,519	324,139	324,139	307,723	307,723	307,723	307,723	307,723
Center for Geriatric Education	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	
Center for Business and Industry	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
Center for Health Sciences	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000	131,000
Sub-Total	479,519	475,519	475,519	474,139	474,139	457,723	457,723	457,723	457,723	438,723
NTC - Antigo Campus	71,502	71,502	71,502	71,502	71,502	71,502	45,357	45,357	45,357	45,357
NTC - Phillips Campus	29,600	29,600	29,600	17,500	17,500	17,500	17,500	12,500	5,306	5,306
NTC - Spencer Campus	9,600	9,600	9,600	9,600	9,600	9,600	8,400			
NTC - Merrill Campus	19,050	11,650	11,650	10,899	10,899	4,488	9,488	9,488	9,488	9,488
NTC - Wittenberg Campus	2,291	1,631								
Agriculture Center of Excellence	28,835	28,835	22,633	22,633	22,633					
Sub-Total	160,878	152,818	144,985	132,134	132,134	103,090	80,745	67,345	60,151	60,151
Other (leased):										
NTC - Medford Campus	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
NTC - Spencer Campus								7,500	7,500	7,500
NTC - Wittenberg Campus			9,600	9,600	9,600	9,600	9,600	9,600	9,600	6,211
Diesel Building	9,000	9,000								
Alternative High School Building	6,000	6,000								
Sub-Total	27,500	27,500	22,100	22,100	22,100	22,100	22,100	29,600	29,600	26,211
Total square footage	667,897	655,837	642,604	628,373	628,373	582,913	560,568	554,668	547,474	525,085

Source: NTC Office of Facilities Administrator.

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

Single Audit Section

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

District Board
Northcentral Technical College District
Wausau, Wisconsin

We have audited, in accordance with the 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 (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 27, 2016. Our report on the financial statements includes an emphasis-of-matter paragraph describing a change, discussed in Note 1 to the financial statements, in the District's method of accounting for post-employment benefits other than pensions.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") to determine the auditing 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 the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

December 27, 2016
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 compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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



Wipfli LLP

December 27, 2016
Rhineland, Wisconsin

Northcentral Technical College District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

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

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

Identification of federal major programs:

CFDA Number

Name of Federal Program or Cluster

84.007

84.033

84.063

84.268

Student Financial Aid Cluster:

Supplemental Educational Opportunity Grants

Work Study Program

Pell Grant Program

Direct Student Loans

Dollar threshold used to distinguish between
Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? Yes

Northcentral Technical College District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2016

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 *State Single
Audit Guidelines*?

No

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program</u>
292.105	State Aids for Vocational, Technical, and Adult Education
Dollar threshold used to distinguish between Type A and Type B programs	\$250,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

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

Section III - Federal and State Awards Findings and Questioned Costs

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

Section IV - Prior Year Findings and Questioned Costs

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

Northcentral Technical College District

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2016

Section V - Other Issues

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

No

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

Department of Health Services

N/A

Department of Workforce Development

No

Department of Natural Resources

No

Technical College System Board

No

Higher Education Aids Board

No

Department of Public Instruction

No

Department of Transportation

No

Department of Justice

No

Department of Revenue

No

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

Yes

Name and signature of partner



Randall H. Beard, CPA

Date of report

December 27, 2016

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