



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

Table of Contents

Introductory Section

| | |
|--|----|
| Letter of Transmittal | 1 |
| District Board of Trustees and College Leadership | 7 |
| Map..... | 10 |
| GFOA - Certificate of Achievement for Excellence in Financial Reporting..... | 11 |

Financial Section

| | |
|---|----|
| Independent Auditor's Report..... | 12 |
| Management's Discussion and Analysis..... | 15 |

Basic Financial Statements

| | |
|--|----|
| Statements of Net Position | 25 |
| Statements of Revenues, Expenses, and Changes in Net Position..... | 26 |
| Statements of Cash Flows | 27 |
| Notes to Financial Statements | 29 |

Required Supplementary Information

| | |
|---|----|
| Schedule of Funding Progress - Other Post-Employment Benefit Plans | 68 |
| Schedules of Employer's Proportionate Share of the Net Pension Asset and Employer Contributions - Wisconsin Retirement System..... | 69 |

Supplementary Information

| | |
|--|----|
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund | 70 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Special Revenue Aidable Fund | 71 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Special Revenue Non-Aidable Fund | 72 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Capital Projects Fund..... | 73 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Debt Service Fund..... | 74 |
| Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual (Non-GAAP Budgetary Basis) - Enterprise Fund..... | 75 |
| Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual (Non-GAAP Budgetary Basis) - Internal Service Fund..... | 76 |
| Notes to Budgetary Comparison Schedules..... | 77 |
| Schedule of Expenditures of Federal Awards..... | 81 |
| Schedule of Expenditures of State Awards | 84 |
| Notes to Schedules of Expenditures of Federal and State Awards | 88 |

Northcentral Technical College District

Comprehensive Annual Financial Report

Years Ended June 30, 2015 and 2014

Table of Contents (Continued)

Statistical Section

Financial Trends

| | |
|--------------------------------|----|
| Net Position by Component..... | 90 |
| Changes in Net Position..... | 91 |

Revenue Capacity

| | |
|---|----|
| Distribution of Real Property Value on an Equalized Basis | 92 |
| Direct and Overlapping Property Tax Rates | 93 |
| Principal Property Taxpayers..... | 98 |
| Property Tax Levies and Collections | 99 |

Debt Capacity

| | |
|---|-----|
| Schedule of Ratios of Outstanding Debt..... | 100 |
| Computation of Direct and Overlapping Debt..... | 101 |
| Legal Debt Margin Information | 102 |

Demographic and Economic Information

| | |
|--|-----|
| Demographic Statistics for Marathon, Lincoln, Langlade, Menominee, Price, and Taylor Counties - Historical Comparisons..... | 103 |
| Principal Employers..... | 104 |

Operating Information

| | |
|--|-----|
| Full-Time Employees by Equal Opportunity Classification..... | 105 |
| Enrollment Statistics - Historical Comparisons | 106 |
| Operational Expenditures Per Full-Time Equivalent (FTE) Student..... | 107 |
| Program Graduate Follow-Up Statistics | 108 |
| Square Footage of District Facilities..... | 109 |

Single Audit Section

| | |
|---|-----|
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters | 110 |
| Independent Auditor's Report on Compliance For Each Major Federal and State Program and on Internal Control Over Compliance..... | 112 |
| Schedule of Findings and Questioned Costs..... | 114 |

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

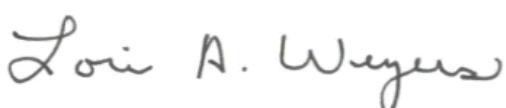
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northcentral Technical College for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 19th consecutive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

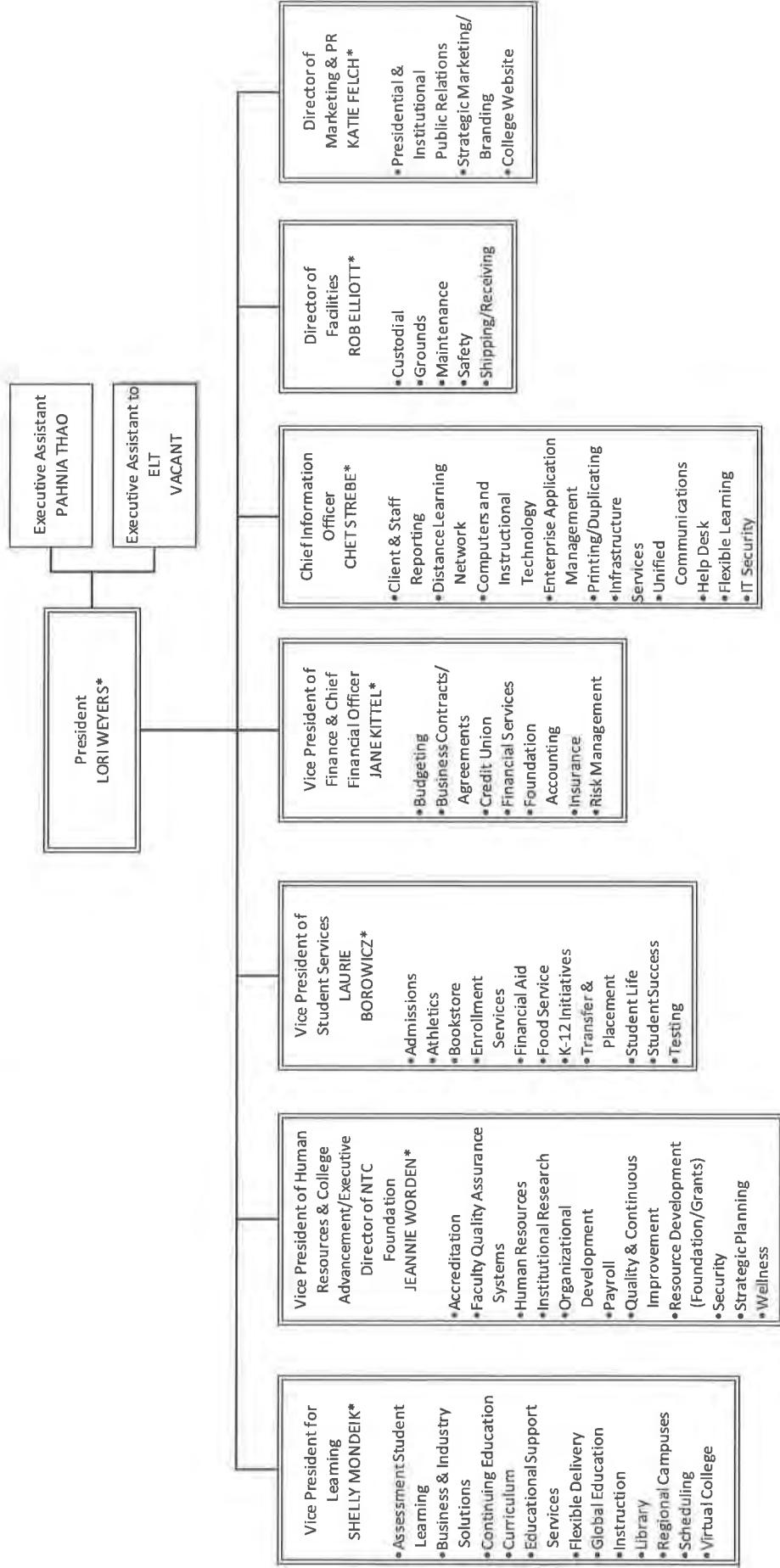
June 30, 2015

| <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

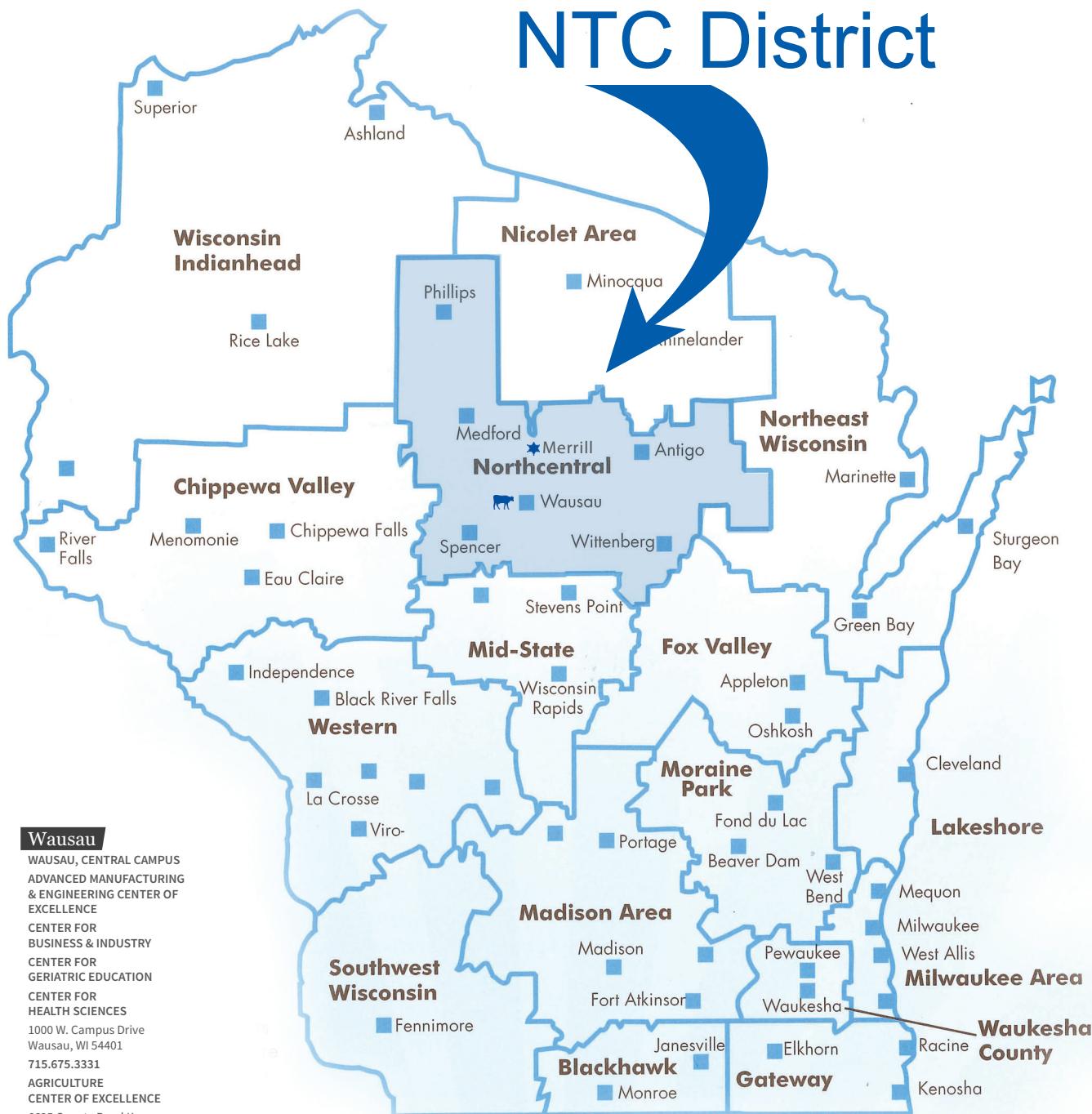
ORGANIZATION CHART



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



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

For more location
information visit
www.ntc.edu



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**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 that reads "Jeffrey R. Enar".

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 the 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.

Wipfli LLP

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 | \$65,177,655 | | \$58,190,756 | | \$59,550,303 |

*The District implemented GASB 68.

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

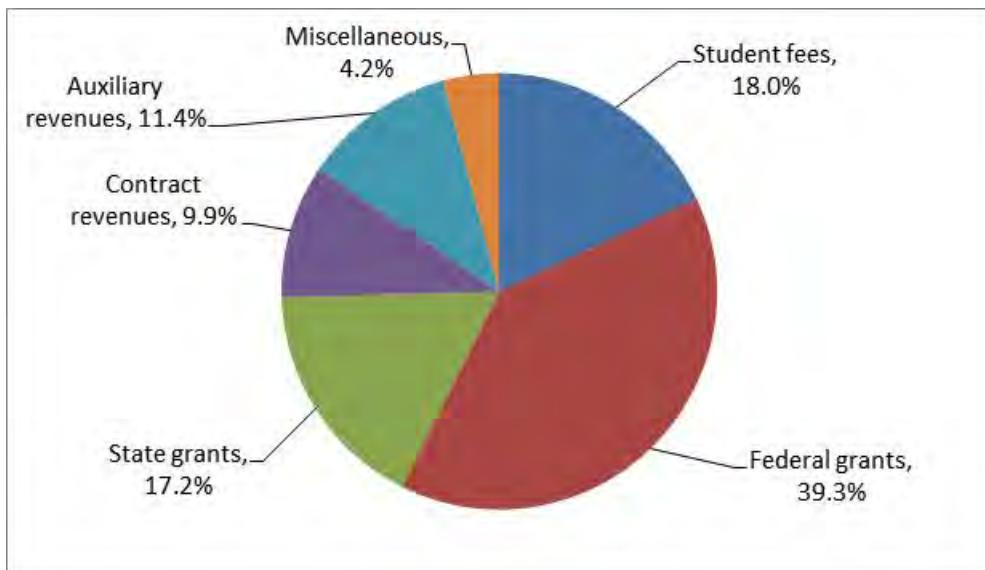
Some of the most noteworthy results of operations for the current year are reflected below:

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 7.8% 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.

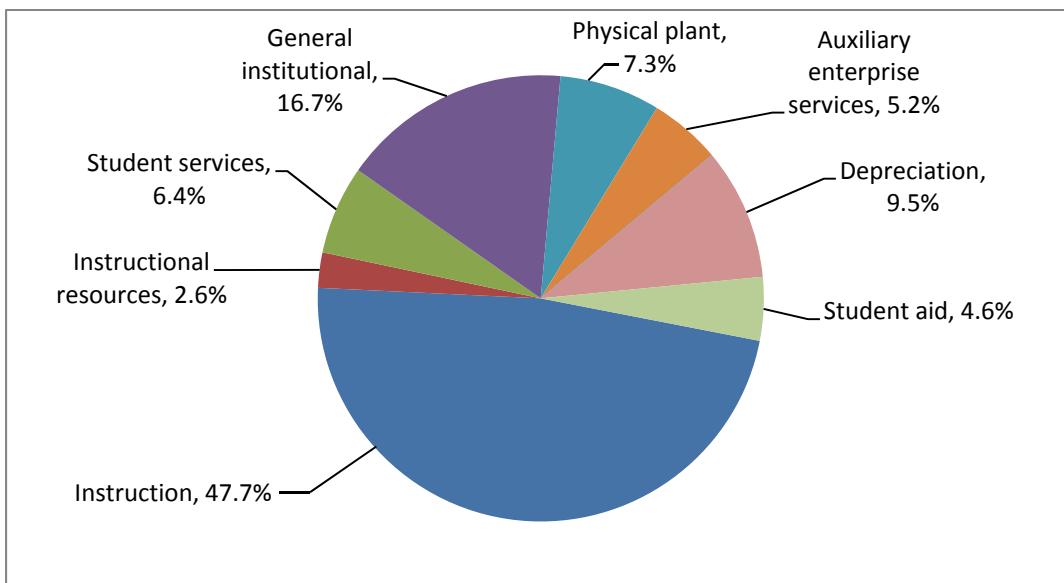


Operating expenses are costs related to offering the programs of the District. During 2015, operating expenses totaled over \$65 million, up from \$64 million in 2014. The majority of the District's expenses, about 63%, are for personnel related costs. Other major types of expenses include supplies and 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 | Increase or (Decrease) | | Increase or (Decrease) | |
|---|--------------------|---------------------------|----------------------|---------------------------|--------------------|
| | | % | 2014 | % | 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:

| | | <u>Increase or (Decrease)</u> | | <u>Increase or (Decrease)</u> | |
|---|-------------------------|-----------------------------------|-------------------------|-----------------------------------|-------------------------|
| | 2015 | % | 2014 | % | 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 | <u>(\$30,463,806)</u> | <u>(\$29,784,354)</u> |
| 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:

| | | 2015 | | | |
|--|--|-------------------------------|--------------|-------------|--------------|
| | | Remaining Maturity (in Years) | | | |
| | | Fair Value | 0-1 | 1-5 | More Than 10 |
| Wisconsin Local Government Investment Pool | | \$19,557,514 | \$19,557,514 | \$0 | \$0 |
| 2014 | | | | | |
| | | Fair Value | 0-1 | 1-5 | More Than 10 |
| U.S. Treasury notes | | \$1,752,882 | \$71,209 | \$1,681,673 | \$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 |
| 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 | \$14,222,161 | \$18,162,862 |
| Wisconsin Local Government | | |
| 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 |
| Capital assets not being depreciated: | | | |
| Land | \$915,968 | \$0 | \$0 |
| Construction in progress | 2,404,647 | 4,001,099 | 2,404,648 |
| 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 |
| Vehicles | 44,135 | | 22,377 |
| Computer software | 6,147,386 | 964,494 | 509,151 |
| 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 |
| Vehicles | 36,252 | 6,393 | 22,337 |
| Computer software | 3,116,968 | 1,172,961 | 509,151 |
| 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 | \$7,002,068 | \$2,404,648 |
| | | | 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 | \$28,929,853 | | \$29,746,802 |

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 |
| General (including teachers) | 6.80% | 6.80% | 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) |
| <u>Employer contributions subsequent to the measurement date</u> | <u>859,890</u> | |
| <u>Total</u> | <u>\$3,652,908</u> | <u>(\$36,234)</u> |

\$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:

| <u>Actuarial Valuation Date</u> | <u>December 31, 2013</u> |
|---|-----------------------------------|
| 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 |
| <u>Adjustment of annual required contribution</u> | <u>(12,031)</u> |
| Annual OPEB cost | 570,190 |
| <u>Contributions made</u> | <u>(327,543)</u> |
| Decrease in net OPEB obligation | 242,647 |
| Net OPEB obligation - Beginning of year | 184,910 |
| <u>Net OPEB obligation - End of year</u> | <u>\$427,557</u> |

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:

| | Current Year | | |
|---------|--|---------------------------------------|----------------------------------|
| | Beginning of Fiscal Year Liability | Claims and Changes In Estimates | Balance at Fiscal Year-End |
| 2013-14 | \$349,009 | \$5,204,747 | \$469,649 |
| 2014-15 | \$469,649 | \$5,854,840 | \$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 | <u>\$65,291,786</u> | <u>\$64,289,329</u> |

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 |
| <hr/> | |

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 | | Unfunded AAL (UAAL) | Funded Ratio | UAAL as a Percentage of Covered Payroll | |
|--------------------------|---------------------------|---|-------------|---------------------|--------------|---|-----------------|
| | | Liability (AAL) - Projected Unit Credit | AAL (UAAL) | | | Covered Payroll | 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 |
| | |
| 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 | <u>(\$1,715,000)</u> | <u>\$451,998</u> | <u>449,541</u> | <u>2,457</u> | <u>451,998</u> | <u>\$0</u> |
| Fund balance at beginning of year | | | <u>14,347,791</u> | <u>(2,457)</u> | <u>14,345,334</u> | |
| Fund balance at end of year | | | <u>\$14,797,332</u> | <u>\$0</u> | <u>\$14,797,332</u> | |
| 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 | | | <u>\$14,797,332</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 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 | (\$102,055) | (\$21,189) | (21,189) | (21,189) | | \$0 |
| Fund balance at beginning of year | | | 1,704,553 | | 1,704,553 | |
| Fund balance at end of year | | | \$1,683,364 | \$0 | \$1,683,364 | |
| Fund balance - Unreserved - Designated for operations | | | \$1,683,364 | | | |

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> | <u>(356,650)</u> | <u>(356,650)</u> | <u>\$0</u> | |
| Fund balance at beginning of year | | | <u>646,615</u> | | <u>646,615</u> | |
| Fund balance at end of year | | | \$289,965 | \$0 | \$289,965 | |
| Fund balance: | | | | | | |
| Reserved fund balance: | | | | | | |
| Student organizations | | | \$245,488 | | | |
| Wausau Community Area Network | | | 44,477 | | | |
| Total fund balance | | | \$289,965 | | | |

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 | (\$106,857) | (\$88,417) | (88,856) | | (88,856) | \$0 |
| Net position at beginning of year | | | 774,594 | | 774,594 | |
| Net position at end of year | | | \$685,738 | \$0 | \$685,738 | |
| Net position - Unrestricted retained earnings | | | \$685,738 | | | |

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> | <u>(1,220,813)</u> | | <u>(1,220,813)</u> | <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 |

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 \$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 \$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 | <hr/> \$65,746,268 |

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 | |
| National Science Foundation | | | | | | |
| 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.S. Department of Interior | | | | | | |
| Higher Education Grant Program Bureau of Indian Affairs July 1, 2014 - June 30, 2015 | 15.114 | None assigned | | 73,097 | | 73,097 |
| U.S. Department of Labor | | | | | | |
| Trade Adjustment Assistance Community College and Career Training ACT for Health Care October 1, 2014 - September 30, 2017 | 17.282 | TC-26455-14-60-A-55 | 874,572 | 25,559 | | 25,559 |
| Trade Adjustment Assistance Community College and Career Training INTERFACE October 1, 2013 - September 30, 2017 | 17.282 | 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 October 1, 2013 - September 30, 2016 | 17.282 | TC-25116-13-60-A-55 | | 479 | | 479 |
| Trade Adjustment Assistance Community College and Career Training Making the Future: The Wisconsin Strategy October 1, 2012 - September 30, 2015 | 17.282 | 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.S. Department of State | | | | | | |
| Middle East Partnership Initiative Georgetown University June 2014 - August 2015 June 2015 - August 2016 | 19.500 | NTC-RX2050-972-14 NTC-RX2050-972-15 | 27,209 27,895 | 23,599 2,913 | 10,074 2,913 | 33,673 2,913 |
| Benedictine University June 2014 - August 2015 June 2015 - August 2016 | | N/A N/A | 22,308 | 22,185 2,913 | 8,997 2,913 | 31,182 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>U.S. Department of Education</u> | | | | | | | | | | |
| <u>Student Financial Assistance Cluster</u> | | | | | | | | | | |
| 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 | | | | | | | | | | |
| Administrative Allowance | | P063Q132670 | 13,040 | 145 | | 145 | | | | |
| 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 (Continued)</u> | | | | | | |
| Vocational Education - Basic Grants Wisconsin Technical College System Achieving Student Success for At-Risk Students July 1, 2014 - June 30, 2015 | 84.048 | | | | | |
| 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 Wisconsin Technical College System Wisc Advanced Manufacturing Pathway Education Network October 1, 2013 - September 30, 2014 | 84.051 | | | | | |
| Gaining Early Awareness and Readiness for Undergraduate Programs Wisconsin Department of Public Instruction July 1, 2014 - June 30, 2015 | 84.334 | | | 308,035 | 149,991 | 149,991 |
| Race to the Top - Early Learning Challenge July 1, 2014 - June 30, 2015 | 84.412A | CFE00449 | 36,550 | 36,550 | | 36,550 |
| 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 Wisconsin Office of Justice Assistance February 1, 2015 - June 30, 2015 | 93.262 | | | 102525 | 5,000 | 3,062 |
| Total 98.001 | | | | | | 3,062 |
| <u>U.S. Agency for International Development</u> | | | | | | |
| Foreign Assistance Programs Overseas Scholarships for Education and Economic Development Georgetown University July 1, 2014 - June 30, 2015 | 98.001 | | | 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 (Continued)</u> | | | | | | | | | | |
| 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 | |
| <u>Wisconsin Technical College System (Continued)</u> | | | | | | |
| 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 | | 15-883-124-175 | 13,646 | 12,357 | 1,373 | 13,730 |
| Strategic Growth and Emerging Talent Development - Nueskes | | 15-887-124-175 | 76,559 | 71,524 | 7,947 | 79,471 |
| July 1, 2014 - June 30, 2015 | | | | | | |
| Northcentral Business Consortium Supervision and Training | | 15-880-124-175 | 199,951 | 192,867 | 21,430 | 214,297 |
| July 1, 2014 - June 30, 2015 | | | | | | |
| Increasing Core Employee Skills at Church Mutual | | 15-878-124-175 | 35,441 | 23,560 | 2,618 | 26,178 |
| July 1, 2014 - June 30, 2015 | | | | | | |
| Transforming and Streamlining Mid Wisconsin Beverage | | 15-881-124-175 | 10,006 | 5,740 | 638 | 6,378 |
| July 1, 2014 - June 30, 2015 | | | | | | |
| Leading Effective Change at Ministry Health Care | | 15-882-124-175 | 22,217 | 10,346 | 1,150 | 11,496 |
| July 1, 2014 - June 30, 2015 | | | | | | |
| Renal Dialysis Technician | | 15-801-124-145 | 230,696 | 230,697 | | 230,697 |
| Carpentry and Construction Related Programs TSA | | 15-815-124-185 | 17,000 | 13,298 | | 13,298 |
| July 1, 2014 - June 30, 2015 | | | | | | |
| Consortium - Career Pathways | | 15-820-124-125 | 323,162 | 323,162 | 107,720 | 430,882 |
| July 1, 2014 - June 30, 2015 | | | | | | |
| Enhancing the First Year Experience and Tutoring | | 15-824-124-165 | 193,032 | 193,032 | 64,344 | 257,376 |
| July 1, 2014 - June 30, 2015 | | | | | | |
| Agriculture Career Pathways Pilot | | 15-831-124-185 | 2,200 | 2,194 | | 2,194 |
| July 1, 2014 - June 30, 2015 | | | | | | |
| Industrial Electrical Apprentice - Related Inst | | 15-833-124-115 | 80,000 | 8,000 | | 8,000 |
| July 1, 2014 - June 30, 2015 | | | | | | |
| Systemwide Leadership - Machining | | 15-840-124-185 | 15,000 | 12,624 | | 12,624 |
| July 1, 2014 - June 30, 2015 | | | | | | |
| Professional Development | | 15-849-124-155 | 55,244 | 53,462 | | 53,462 |
| July 1, 2014 - June 30, 2015 | | | | | | |
| Welding Career Pathway to Support Consortium | | 15-864-124-135 | 464,719 | 464,691 | 3,776 | 468,467 |
| July 1, 2014 - June 30, 2015 | | | | | | |
| Core Industry - Machine Tool | | 15-865-124-135 | 541,330 | 541,330 | | 541,330 |
| July 1, 2014 - June 30, 2015 | | | | | | |
| Chippewa Valley Technical College | | | | | | |
| Manufacturing Assistance - Chippewa Valley Technical College | | 01-586-124-185 | 5,966 | 5,966 | | 5,966 |
| July 1, 2014 - June 30, 2015 | | | | | | |
| | 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 Expenditures |
|---|-------------------------|----------------------------------|-------------------------------|---------------------|------------------|-----------------------|
| | | | | State | Match | |
| <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 |
| 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 |
|---|--------------|

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

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 |
| Special item - Cumulative effect of change in accounting principle | | | | | | | (87,535) | | | 145,013 |
| 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 % of Total | \$8,623,158,737 66.11% | \$1,913,246,560 14.67% | \$476,782,700 3.66% | \$254,412,556 1.95% | \$96,023,876 0.74% | \$816,917,195 6.26% | \$508,363,303 3.90% | \$354,490,758 2.72% | \$13,043,395,685 | \$11,976,302,135 | 1.93228 |
| 2006 % of Total | 9,311,866,631 66.53% | 2,051,214,720 14.66% | 466,585,400 3.33% | 264,742,967 1.89% | 111,920,426 0.80% | 897,768,040 6.41% | 522,741,342 3.74% | 368,731,347 2.63% | 13,995,570,873 | 12,858,126,272 | 1.88567 |
| 2007 % of Total | 10,241,038,274 66.51% | 2,322,261,400 15.08% | 495,553,700 3.22% | 289,012,313 1.88% | 124,075,641 0.81% | 971,273,130 6.31% | 557,816,392 3.62% | 396,591,517 2.58% | 15,397,622,367 | 13,568,574,293 | 1.86375 |
| 2008 % of Total | 10,736,754,964 66.45% | 2,441,913,230 15.11% | 532,117,600 3.29% | 306,556,752 1.90% | 132,127,662 0.82% | 1,015,503,896 6.28% | 580,657,787 3.59% | 412,952,074 2.56% | 16,158,583,965 | 14,238,122,458 | 1.84922 |
| 2009 % of Total | 11,020,106,409 66.38% | 2,498,532,660 15.05% | 541,387,600 3.26% | 325,234,760 1.96% | 141,021,797 0.85% | 1,058,598,001 6.38% | 599,760,897 3.61% | 415,735,775 2.50% | 16,600,377,899 | 14,265,579,474 | 1.91253 |
| 2010 % of Total | 11,220,520,984 66.20% | 2,550,888,270 15.05% | 550,273,400 3.25% | 345,294,135 2.04% | 151,627,637 0.89% | 1,083,784,881 6.39% | 619,995,157 3.66% | 427,814,347 2.52% | 16,950,198,811 | 14,033,818,581 | 1.97621 |
| 2011 % of Total | 11,329,151,644 66.32% | 2,562,749,250 15.00% | 551,721,700 3.23% | 353,685,107 2.07% | 154,952,137 0.91% | 1,083,720,144 6.34% | 628,773,357 3.68% | 417,912,401 2.45% | 17,082,665,740 | 13,919,063,083 | 2.02251 |
| 2012 % of Total | 11,378,295,085 66.45% | 2,539,098,460 14.83% | 564,778,200 3.30% | 360,404,136 2.10% | 157,045,782 0.92% | 1,078,808,944 6.30% | 624,930,340 3.65% | 419,615,926 2.45% | 17,122,976,873 | 13,577,381,656 | 2.02250 |
| 2013 % of Total | 11,382,792,954 66.36% | 2,596,436,300 15.14% | 535,848,700 3.12% | 360,002,686 2.10% | 159,293,342 0.93% | 1,060,060,963 6.18% | 617,295,452 3.60% | 440,207,124 2.57% | 17,151,937,521 | 13,565,091,841 | 2.08521 |
| 2014 % of Total | 11,390,744,716 66.28% | 2,638,766,060 15.35% | 534,072,500 3.11% | 359,750,959 2.09% | 158,843,863 0.92% | 1,039,358,224 6.05% | 617,269,000 3.59% | 446,792,459 2.60% | 17,185,597,781 | 13,785,484,262 | 1.21807 |

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 (Continued)</u> | | | | | | | | | | |
| 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 (Continued)</u> | | | | | | | | | | |
| 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 (Continued)</u> | | | | | | | | | | |
| 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 | | Marathon | Lincoln | Langlade | Menominee | Price | 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, | Operational Expenditures (1) | | Student Enrollments | | Operational Expenditures per FTE | |
|---------------------------|------------------------------|-----------------------------------|---------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| | 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.

Wipfli LLP

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.

Wipfli LLP

Wipfli LLP

November 19, 2015

Rhinelander, 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 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.



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

Table of Contents

Introductory Section

| | |
|---|----|
| Letter of Transmittal..... | 1 |
| District Board of Trustees and College Leadership | 6 |
| Map | 9 |
| GFOA - Certificate of Achievement for Excellence in Financial Reporting | 10 |

Financial Section

| | |
|---|----|
| Independent Auditor's Report | 11 |
| Management's Discussion and Analysis..... | 14 |

Financial Statements

| | |
|--|----|
| Statements of Net Position | 24 |
| Statements of Revenues, Expenses, and Changes in Net Position..... | 25 |
| Statements of Cash Flows | 26 |
| Notes to Financial Statements | 28 |

Required Supplementary Information

| | |
|--|----|
| Schedule of Funding Progress - Other Post-Employment Benefit Plans | 56 |
| Schedules of Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System | 57 |

Supplementary Information

| | |
|--|----|
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund..... | 58 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Special Revenue Aidable Fund | 59 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Special Revenue Non-Aidable Fund | 60 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Capital Projects Fund | 61 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Debt Service Fund | 62 |
| Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual (Non-GAAP Budgetary Basis) - Enterprise Fund..... | 63 |
| Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual (Non-GAAP Budgetary Basis) - Internal Service Fund | 64 |
| Notes to Budgetary Comparison Schedules | 65 |
| Schedule of Expenditures of Federal Awards..... | 68 |
| Schedule of Expenditures of State Awards | 70 |
| Notes to Schedules of Expenditures of Federal and State Awards | 72 |

Northcentral Technical College District

Comprehensive Annual Financial Report

Years Ended June 30, 2016 and 2015

Table of Contents (Continued)

Statistical Section

Financial Trends

| | |
|---------------------------------|----|
| Net Position by Component | 73 |
| Changes in Net Position..... | 74 |

Revenue Capacity

| | |
|---|----|
| Distribution of Real Property Value on an Equalized Basis | 75 |
| Direct and Overlapping Property Tax Rates | 76 |
| Principal Property Taxpayers..... | 81 |
| Property Tax Levies and Collections..... | 82 |

Debt Capacity

| | |
|--|----|
| Schedule of Ratios of Outstanding Debt | 83 |
| Computation of Direct and Overlapping Debt | 84 |
| Legal Debt Margin Information | 85 |

Demographic and Economic Information

| | |
|---|----|
| Demographic Statistics for Marathon, Lincoln, Langlade, Menominee, Price, and Taylor Counties - Historical Comparisons | 86 |
|---|----|

| | |
|---------------------------|----|
| Principal Employers | 87 |
|---------------------------|----|

Operating Information

| | |
|--|----|
| Full-Time Employees by Equal Opportunity Classification | 88 |
| Enrollment Statistics - Historical Comparisons..... | 89 |
| Operational Expenditures Per Full-Time Equivalent (FTE) Student..... | 90 |
| Program Graduate Follow-Up Statistics | 91 |
| Square Footage of District Facilities | 92 |

Single Audit Section

| | |
|--|----|
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters | 93 |
|--|----|

| | |
|--|----|
| Independent Auditor's Report on Compliance For Each Major Federal and State Program and on Internal Control Over Compliance | 95 |
|--|----|

| | |
|---|----|
| Schedule of Findings and Questioned Costs | 97 |
|---|----|

Introductory Section



Real Life. Real Learning.

Lori A. Weyers, Ph.D., President

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

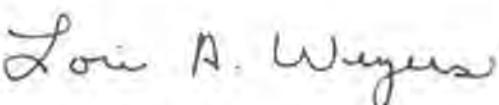
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northcentral Technical College for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the 20th consecutive 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

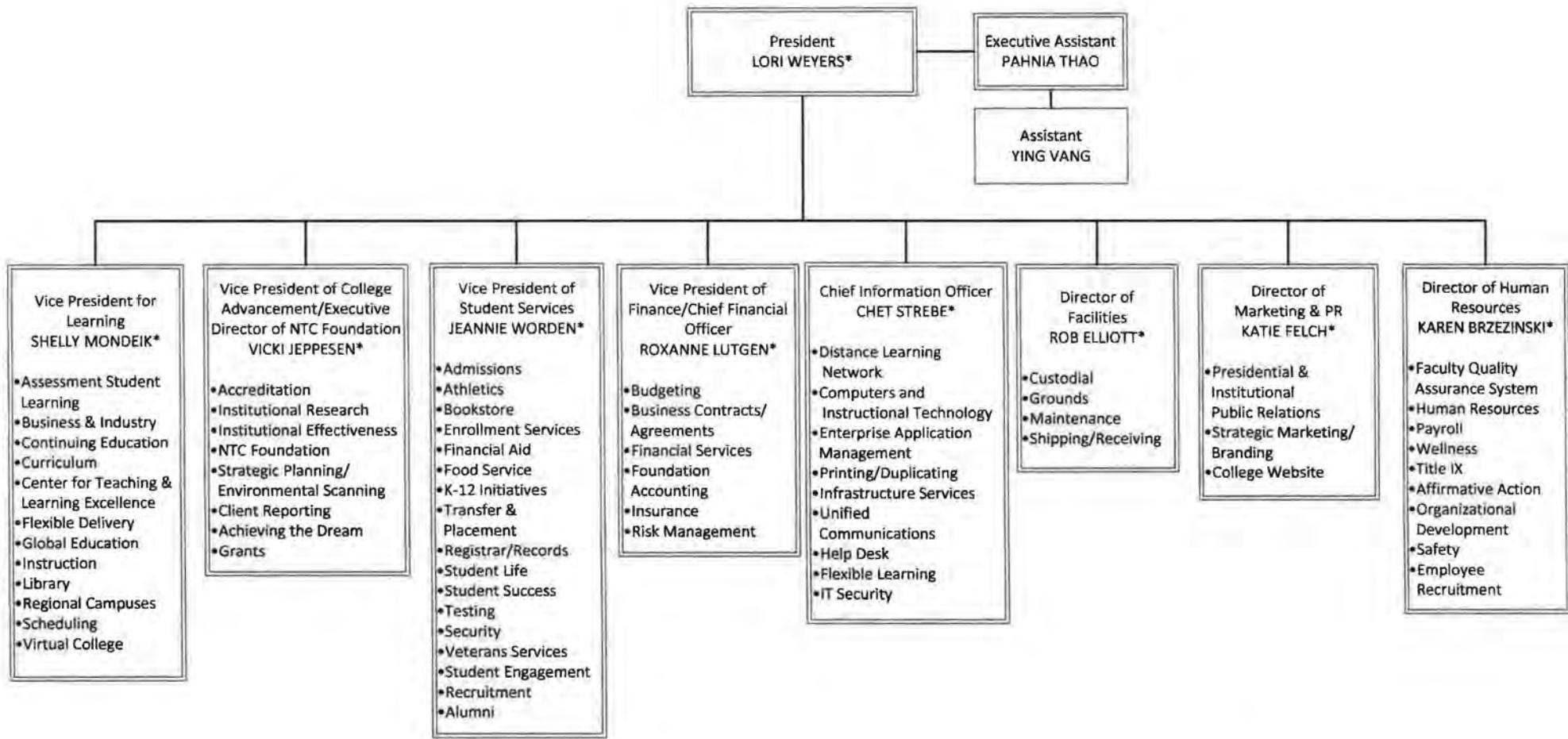
June 30, 2016

| <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.

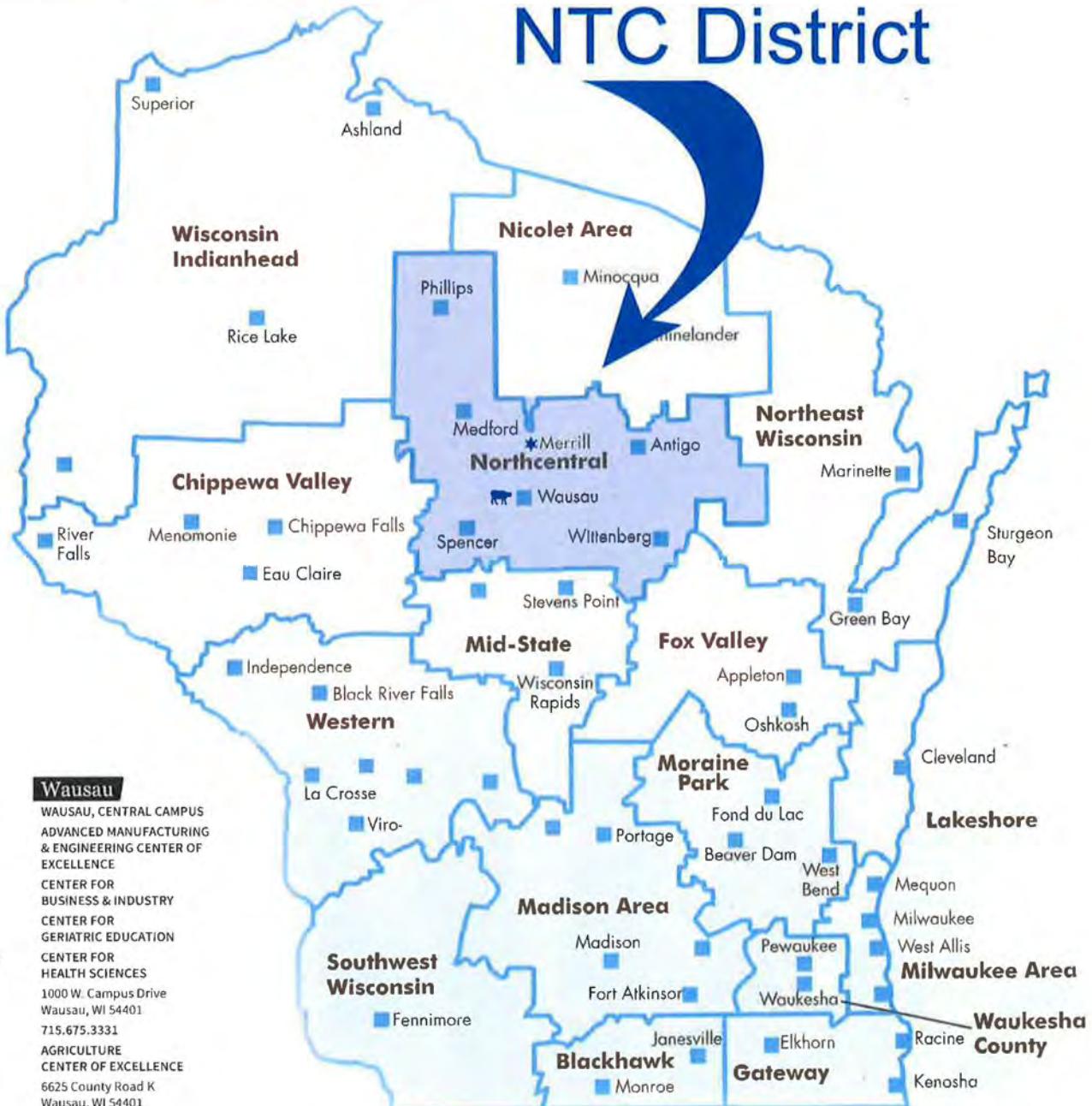
NORTHCENTRAL TECHNICAL COLLEGE ORGANIZATIONAL CHART



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



NTC District



Antigo

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

Medford

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

Merrill

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

Phillips

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

Spencer

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

Wausau

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
www.ntc.edu



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Northcentral Technical College District
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

A handwritten signature in black ink, appearing to read 'Jeffrey P. Evans'.

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.

Wipfli LLP

Wipfli LLP

December 27, 2016
Rhineland, 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:

| | Increase or (Decrease) | | Increase or (Decrease) | | 2014 |
|---|---------------------------|---------------|---------------------------|--------------|---------------------|
| | 2016 | % | 2015 | % | |
| 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)

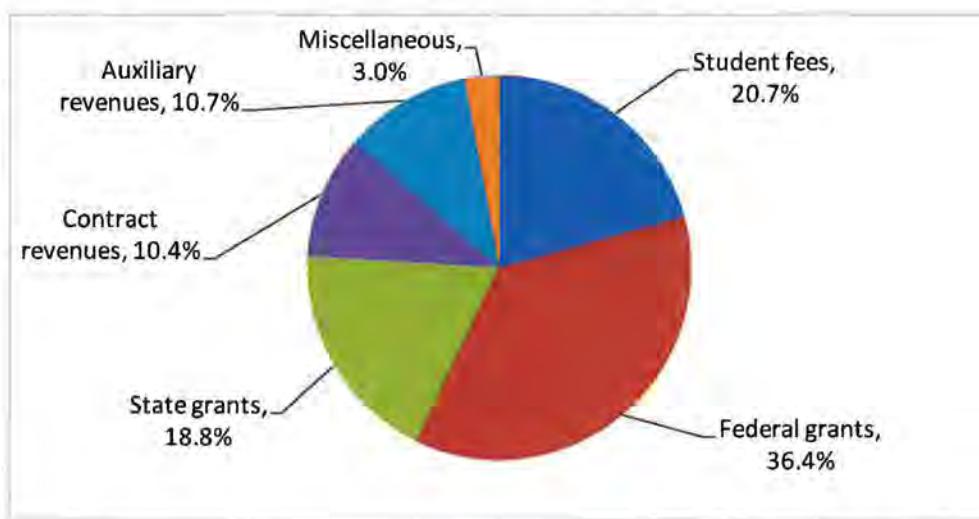
Some of the most noteworthy results of operations for the current year are reflected below:

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.

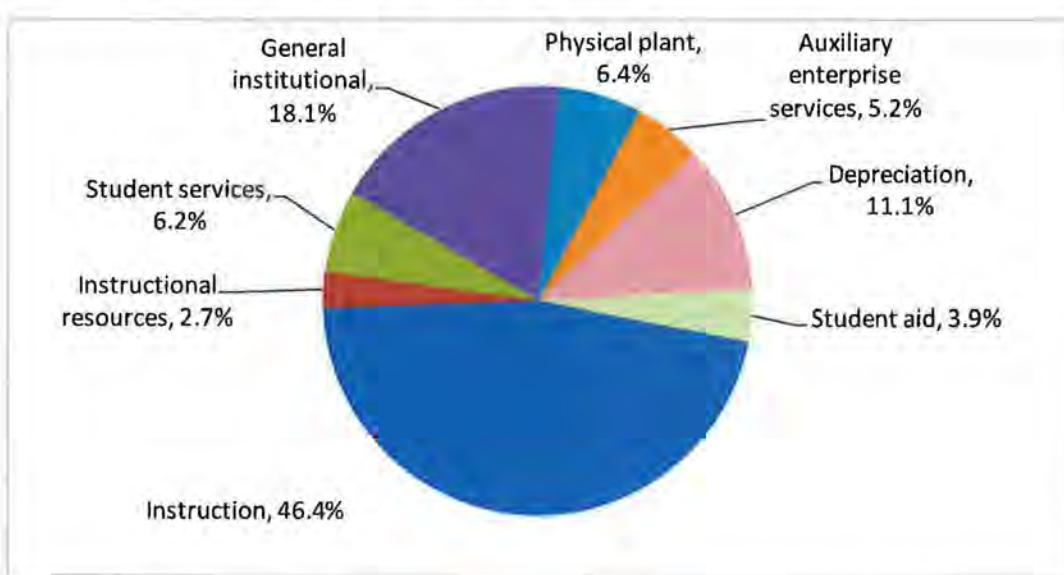


Operating expenses are costs related to offering the programs of the District. During 2016, operating expenses totaled over \$67 million, up from \$65 million in 2015. The majority of the District's expenses, about 62%, are for personnel-related costs. Other major types of expenses include supplies and 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) | | Increase or (Decrease) | |
|---|--------------------|---------------------------|--------------------|---------------------------|----------------------|
| | | % | 2015 | % | 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:

| | Increase or (Decrease) | | Increase or (Decrease) | | 2014 |
|--|---------------------------|----------------|---------------------------|--------------|----------------------|
| | 2016 | % | 2015 | % | |
| 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 | <u>(\$30,652,176)</u> | <u>(\$30,463,806)</u> |
| 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:

| | 2016 | | | | |
|--|-------------------------------|--------------|-----|------|--------------|
| | Remaining Maturity (in Years) | | | | |
| | Fair Value | 0-1 | 1-5 | 5-10 | More Than 10 |
| Wisconsin Local Government Investment Pool | \$24,540,159 | \$24,540,159 | \$0 | \$0 | \$0 |
| 2015 | | | | | |
| | Remaining Maturity (in Years) | | | | |
| | Fair Value | 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 | | | | |
|---|-----------------------|-----|-----|-----|--------------|
| | Exempt From Rating | AAA | AA | A | Not Rated |
| Wisconsin Local Government Investment Pool | \$0 | \$0 | \$0 | \$0 | \$24,540,159 |

| | 2015 | | | | |
|---|-----------------------|-----|-----|-----|--------------|
| | 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 |
| Capital assets not being depreciated: | | | |
| Land | \$915,968 | \$0 | \$0 |
| Construction in progress | 4,001,098 | 546,264 | 4,001,098 |
| 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 |
| Vehicles | 21,758 | | 21,758 |
| Computer software | 6,602,729 | 1,073,144 | 1,906,663 |
| 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 |
| Vehicles | 20,308 | 1,451 | 21,759 |
| Computer software | 3,780,778 | 1,186,059 | 1,906,663 |
| 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 | | | Balance 6/30/2016 | Amounts Due Within One Year |
|--------------------------|---------------------|---------------------|--------------------|----------------------|-----------------------------------|
| | | Additions | Reductions | | |
| 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 | | | Balance 6/30/2015 | Amounts Due Within One Year |
|--------------------------|---------------------|---------------------|--------------------|----------------------|-----------------------------------|
| | | Additions | Reductions | | |
| 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 | <u>\$6,564,390</u> |

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:

| | | Current Year | | |
|---------|--|---------------------------------------|-------------------|----------------------------------|
| | Beginning of Fiscal Year Liability | 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 | <u>(\$246,000)</u> | <u>\$19,942</u> | <u>19,942</u> | | <u>19,942</u> | <u>\$0</u> |
| 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 | | | |

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 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) | <u>\$133,717</u> | 133,717 | | 133,717 | <u>\$0</u> |
| Fund balance at beginning of year | | | 1,852,626 | | 1,852,626 | |
| Fund balance at end of year | | | <u>\$1,986,343</u> | \$0 | <u>\$1,986,343</u> | |
| Fund balance - Reserved for debt service | | | <u>\$1,986,343</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, 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 | | | | | | |
| Other financing uses - Transfers out | (28,484) | (872) | (872) | | (872) | |
| Change in net position | (\$28,484) | (\$6,160) | (6,160) | | (6,160) | \$0 |
| Net position at beginning of year | | | 685,737 | | 685,737 | |
| Net position at end of year | | | \$679,577 | \$0 | \$679,577 | |
| Net position - Unrestricted retained earnings | | | \$679,577 | | | |

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> | <u>(90,139)</u> | | <u>(90,139)</u> | <u>\$0</u> |
| Net position at beginning of year | | | 924,597 | | 924,597 | |
| Net position at end of year | | | <u>\$834,458</u> | \$0 | <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) |
| | <hr/> |
| 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 |
| | <hr/> |
| Expenses on a GAAP basis | \$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 |
| | <hr/> |
| Total | \$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 | 15,114 | None assigned | | 7/1/15-6/30/16 | 43,464 | | 43,464 | | | | | |
| Bureau of Indian Affairs | | | | | | | | | | | | |
| 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 | 300061-1580; 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 | 84,067 | 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 Expenditures | | | | | |
|---|-------------------------|----------------------------------|-------------------------------|-------------------|------------------|----------------|-----------------------|--|--|--|--|--|
| | | | | | State | Match | | | | | | |
| 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 | 292.124 | 15-827-124-136 | 289,945 | 7/1/15-6/30/16 | 288,993 | | 288,993 | | | | | |
| Technical Diploma Training (NTC/NATC) | 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 Expenditures | | | | | |
|---|-------------------------|----------------------------------|-------------------------------|-------------------|---------------------|------------------|-----------------------|--|--|--|--|--|
| | | | | | State | Match | | | | | | |
| 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 |
| <hr/> Revenues per schedule of expenditures of federal awards | <hr/> \$17,768,577 |

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 |
| <hr/> Total State revenues | <hr/> 24,304,543 |
| Adjustment - Nursing Student Loans (State ID No. 235.117) | 9,000 |
| <hr/> Revenues per schedule of expenditures of state awards | <hr/> \$24,313,543 |

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 | | | | | 1,800 |
| State capital grant | | | | | | | | | | 2,855 |
| Federal capital grant | | | | | | | | | | 10,117 |
| Other - Cumulative effect of change in accounting principle | | | | | | | | (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 % of Total | \$9,311,866,631 66.53% | \$2,051,214,720 14.66% | \$466,585,400 3.33% | \$264,742,967 1.89% | \$111,920,426 0.80% | \$897,768,040 6.41% | \$522,741,342 3.74% | \$368,731,347 2.63% | \$13,995,570,873 | \$12,858,126,272 | 1.88567 | |
| 2007 % of Total | 10,241,038,274 66.51% | 2,322,261,400 15.08% | 495,553,700 3.22% | 289,012,313 1.88% | 124,075,641 0.81% | 971,273,130 6.31% | 557,816,392 3.62% | 396,591,517 2.58% | 15,397,622,367 | 13,568,574,293 | 1.86375 | |
| 2008 % of Total | 10,736,754,964 66.45% | 2,441,913,230 15.11% | 532,117,600 3.29% | 306,556,752 1.90% | 132,127,662 0.82% | 1,015,503,896 6.28% | 580,657,787 3.59% | 412,952,074 2.56% | 16,158,583,965 | 14,238,122,458 | 1.84922 | |
| 2009 % of Total | 11,020,106,409 66.38% | 2,498,532,660 15.05% | 541,387,600 3.26% | 325,234,760 1.96% | 141,021,797 0.85% | 1,058,598,001 6.38% | 599,760,897 3.61% | 415,735,775 2.50% | 16,600,377,899 | 14,265,579,474 | 1.91253 | |
| 2010 % of Total | 11,220,520,984 66.20% | 2,550,888,270 15.05% | 550,273,400 3.25% | 345,294,135 2.04% | 151,627,637 0.89% | 1,083,784,881 6.39% | 619,995,157 3.66% | 427,814,347 2.52% | 16,950,198,811 | 14,033,818,581 | 1.97621 | |
| 2011 % of Total | 11,329,151,644 66.32% | 2,562,749,250 15.00% | 551,721,700 3.23% | 353,685,107 2.07% | 154,952,137 0.91% | 1,083,720,144 6.34% | 628,773,357 3.68% | 417,912,401 2.45% | 17,082,665,740 | 13,919,063,083 | 2.02251 | |
| 2012 % of Total | 11,378,295,085 66.45% | 2,539,098,460 14.83% | 564,778,200 3.30% | 360,404,136 2.10% | 157,045,782 0.92% | 1,078,808,944 6.30% | 624,930,340 3.65% | 419,615,926 2.45% | 17,122,976,873 | 13,577,381,656 | 2.02250 | |
| 2013 % of Total | 11,382,792,954 66.36% | 2,596,436,300 15.14% | 535,848,700 3.12% | 360,002,686 2.10% | 159,293,342 0.93% | 1,060,060,963 6.18% | 617,295,452 3.60% | 440,207,124 2.57% | 17,151,937,521 | 13,565,091,841 | 2.08521 | |
| 2014 % of Total | 11,390,744,716 66.28% | 2,638,766,060 15.35% | 534,072,500 3.11% | 359,750,959 2.09% | 158,843,863 0.92% | 1,039,358,224 6.05% | 617,269,000 3.59% | 446,792,459 2.60% | 17,185,597,781 | 13,785,484,262 | 1.21807 | |
| 2015 % of Total | 11,331,535,626 66.10% | 2,646,624,060 15.44% | 567,484,300 3.31% | 356,933,851 2.08% | 158,036,666 0.92% | 1,014,520,616 5.92% | 612,601,290 3.57% | 455,117,467 2.65% | 17,142,853,876 | 13,910,543,454 | 1.26109 | |

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 Abbotsford | 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 |
| Marathon County (Continued) | | | | | | | | | | |
| 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 |
| Menominee County | | | | | | | | | | |
| T Menominee | 22.86 | 22.48 | 22.71 | 21.63 | 20.61 | 20.49 | 19.08 | 20.53 | 22.45 | 22.12 |
| Portage County | | | | | | | | | | |
| 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 |
| Price County | | | | | | | | | | |
| 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 |
| 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 |
| 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 |
| Greenheck Fan Corporation | Manufacturer of industrial fans | 21,542,700 | 7 | 0.14% | 23,204,915 |
| 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 |
| Abbyland Foods Inc. | Manufacturer of meat products | 15,637,000 | 10 | 0.10% | |
| Plum Creek Timberlands | Timber | | | | 52,261,166 |
| Tomahawk Timberland LLC | Timber | | | | 47,892,366 |
| Employers Insurance of Wausau | Insurance | | | | 47,143,259 |
| Wausau-Mosinee Paper Corporation | Manufacturer of paper products | | | | 42,690,701 |
| ASPIRUS (Wausau) | Health care | | | | 33,100,502 |
| Wal-Mart Properties | Retail | | | | 27,247,935 |
| Totals | | \$235,688,400 | | 1.55% | \$377,017,578 |
| 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 Personal Income (5) | Per Capita Personal Income (4) | | | | | Unemployment Rate (6) | | | | | | | |
|------|---------------|----------|-----------------------|----------|-----------|--------|---------------------------|--------------------------------|----------|----------|-----------|----------|-----------------------|----------|---------|----------|-----------|-------|--------|------|
| | Population(3) | Marathon | Lincoln | Langlade | Menominee | Price | Taylor | 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 | 33,895 | 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 | 9,051,499 | 42,941 | 38,486 | 39,355 | 25,919 | 39,054 | 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 | 214,725 | 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 |
| District Totals: | | | | | | | | | | |
| 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, | Operational Expenditures (1) | | Student Enrollments | | Operational Expenditures per FTE | |
|---------------------------|------------------------------|-----------------------------------|---------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| | 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 | 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 | 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

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:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------|---|
| 84.007 | Student Financial Aid Cluster: Supplemental Educational Opportunity Grants |
| 84.033 | Work Study Program |
| 84.063 | Pell Grant Program |
| 84.268 | 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.