Nicolet Area Technical College District

Financial Statements and Supplementary Financial Information

Years Ended June 30, 2022 and 2021

WIPFLI

Nicolet Area Technical College District

Financial Statements and Supplementary Financial Information

Years Ended June 30, 2022 and 2021

Table of Contents

WIPFLI

Independent Auditor's Report

District Board
Nicolet Area Technical College District
Rhinelander, WI

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Nicolet Area Technical College District (the "District"), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Nicolet Area Technical College District as of June 30, 2022 and 2021, and respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Nicolet Area Technical College District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Change in Accounting Principle

We draw attention to Note 13 of the financial statements. In 2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Nicolet Area Technical College District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Nicolet Area Technical College District’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nicolet Area Technical College District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the changes in the employer's total OPEB liability and related ratios - District OPEB plan, the schedules of the employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System, and the schedules of the employer's proportionate share of the net OPEB liability and employer contributions - Local Retiree Life Insurance Fund as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 of America, 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 Nicolet Area Technical College District's basic financial statements. The accompanying non-GAAP budgetary comparison schedules listed in the table of contents as supplementary financial information, as required by the Wisconsin Technical College System Board and the accompanying schedule of expenditures of federal, state and other awards, 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 of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Nicolet Area Technical College District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Eau Claire, Wisconsin
December 12, 2022

Nicolet Area Technical College District

Management's Discussion and Analysis

June 30, 2022 and 2021

Nicolet Area Technical College District's (the "District") Management's Discussion and Analysis (MD&A) of its financial condition provides an overview of financial activity, identifies changes in financial position, and assists the reader of these financial statements in focusing on noteworthy financial issues for the years ended June 30, 2022 and 2021.

The primary mission of the District is to provide education and training to residents of its District. To that end, financial resources are directed toward providing the personnel and equipment to accomplish that goal and net assets are accumulated only as required to ensure sufficient reserve funds are present to meet future operational needs. The MD&A provides summary level financial information. Therefore, it should be read in conjunction with the accompanying financial statements.

This annual 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 Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. These statements focus on the financial condition of the District, results of operations, and cash flows of the District as a whole.

Statements of Revenues, Expenses, and Changes in Net Position

The statements of revenues, expenses, and changes in net position present the revenues earned and expenses incurred during the year. Activities are classified as either operating or nonoperating activities. In general, a public college such as the District will report an overall operating deficit or loss, as the financial reporting model classifies state appropriations and property taxes as nonoperating revenues. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The following is a condensed version of the statements of revenues, expenses, and changes in net position:

	2022	Increase (Decrease) %	2021	Increase (Decrease) %	Restated 2020
Operating revenues	$ 7,797,905	7.1 %	$ 7,283,360	-0.1 %	$ 7,292,184
Operating expenses	(26,234,207)	3.1 %	(25,441,009)	-4.7 %	(26,695,362)
Nonoperating revenues - Net	21,446,013	-3.3 %	22,168,592	-5.3 %	23,420,558
Capital grants and contributions	69,036	-64.4 %	193,937	186.8 %	67,623
Increase in net position	3,078,747	-26.8 %	4,204,880	2.9 %	4,085,003
Net position at beginning of year	53,202,089		48,997,209		44,912,206
Net position at end of year	$ 56,280,836		$ 53,202,089		$ 48,997,209

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

Fiscal Year 2022 Compared to 2021

Some of the most noteworthy results of operations are reflected below:

- Operating revenues are the charges for services offered by the District. During 2022, the District generated roughly $7.8 million of operating revenues for services rendered. This is an increase of $441,788 or 7.1% from prior year. Significant items and revenue sources are as follows:

  - Student fees decreased 7.5% and scholarship allowances decreased 18.4% during 2022. This was the result of a 2.7% increase in full-time equivalents and a 1.0% tuition increase set by the State. Full-time equivalents in 2022 were 863 compared to 840 in 2021.

  - Federal and state grant income awarded to the District for running specific programs increased $306,232 or 7.1% due to an increase in federal funding related to COVID-19.

  - Contract revenues for business and industry contracts increased $89,027 or 45.8%. This was the result of an increase in contracts completed at local businesses due to pandemic restrictions lessening.

  Auxiliary enterprise revenues, whose main component is the Bookstore, decreased 6.5%. This decrease is attributed to more virtual delivery and continued transition to Open Educational Resources (OER).

  Miscellaneous revenues increased $131,402. The increase is attributed to insurance proceeds and other pandemic funding.

- Operating expenses are costs related to offering the programs of the District.

  Total costs related to doing business increased $793,198 or 3.1%. Salaries and wages decreased $346,156 or 2.7% and fringe benefits increased $28,047 or 0.6%. Salaries and fringe benefits equal 66.0% of the total costs.

  Supplies and minor equipment decreased $170,750 or 15.3%. The decrease is the result of lessening pandemic purchases.

  Travel, memberships, and subscriptions increased $87,887 or 24.8%. These increases are the result of lessening pandemic restrictions.

- Net nonoperating revenues (expenses) are revenues and expenses not related directly to providing instruction. Net nonoperating revenues decreased $722,579 or 3.3%. The most important components of these revenues and expenses are:

  - Property tax revenues decreased $1,535,105 or 29.0% due to the decrease in the debt service levy and additional property tax relief aid received from the state.

  - State operating appropriations increased $1,072,481 or 6.5% due to the additional property tax relief aids paid to the District.

  - Investment income increased $2,784 or 0.1% due to stable interest rates.

- Net position at June 30, 2022, increased $3,078,747 as a result of the changes mentioned above.

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

Fiscal Year 2021 Compared to 2020

Some of the most noteworthy results of operations are reflected below:

- Operating revenues are the charges for services offered by the District. During 2021, the District generated roughly $7.3 million of operating revenues for services rendered. This is a decrease of $8,824 or 0.1% from the prior year. Significant items and revenue sources are as follows:

    - Student fees decreased 1.4% and scholarship allowances increased 80.1% during 2021. This was the result of a 2.3% increase in full-time equivalents and a 1.8% tuition increase set by the State. Full-time equivalents in 2021 were 840 compared to 821 in 2020.

    - Federal and state grant income awarded to the District for running specific programs increased $1,375,692 or 46.8% due to a significant increase in federal funding related to COVID-19.

    - Contract revenues for business and industry contracts decreased $155,303 or 44.4%. This was the result of a decline in contracts completed at local businesses due to the pandemic and a reduction in on-site delivery.

    Auxiliary enterprise revenues, whose main component is the Bookstore, decreased 28.2%. This decrease is attributed to the pandemic, virtual delivery, and continued transition to Open Educational Resources (OER).

    Miscellaneous revenues decreased $620,626. The decrease is attributed to a reduction in private scholarships and other pandemic funding.

- Operating expenses are costs related to offering the programs of the District.

    Total costs related to doing business decreased $1,254,353 or 4.7%. Salaries and wages increased $138,856 or 1.1% and fringe benefits decreased $1,186,933 or 19.6%. The large decrease in fringe benefits is the direct result of the change in the District's proportionate share of the Wisconsin Retirement System's net pension asset. Salaries and fringe benefits equal 69.3% of the total costs.

    Supplies and minor equipment decreased $1,181 or 0.1%.

    - Travel, memberships, and subscriptions decreased $110,732 or 21.9%. These decreases are a direct result of the pandemic.

- Net nonoperating revenues (expenses) are revenues and expenses not related directly to providing instruction. Net nonoperating revenues decreased $1,251,966 or 5.3%. The most important components of these revenues and expenses are:

    - Property tax revenues decreased $1,521,616 or 22.3% due to the decrease in the debt service levy.

    - State operating appropriations increased $82,022 or 0.5%.

    - Investment income decreased $340,249 or 89.2% due to lower interest rates.

- Net position at June 30, 2021, increased $4,204,880 as a result of the changes mentioned above.

Statements of Cash Flows

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

The following schedule shows the major components of the statements of cash flows:

	2022	Increase (Decrease) %	2021	Increase (Decrease) %	Restated 2020
Net cash from operating activities	$ (17,531,541)	-3.3 %	$ (18,126,431)	0.2 %	$ (18,091,478)
Net cash from noncapital financing activities	21,925,309	-3.2 %	22,640,564	-2.9 %	23,320,747
Net cash from capital and related financing activities	(4,333,906)	33.7 %	(3,242,576)	-9.3 %	(3,576,592)
Cash flows from investing activities	44,179	6.7 %	41,395	-89.2 %	381,644
Net increase in cash and cash equivalents	$ 104,041		$ 1,312,952		$ 2,034,321

Fiscal Year 2022 Compared to 2021

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

- The largest component of cash used in operating activities was payments to employees for salaries/wages. Payments decreased $489,985 or 3.8%.
- Another significant component of cash used in operating activities was payments to suppliers for goods and services. This cash outflow increased $80,688 or 0.7%.
- State and federal grants received increased $556,796 or 13.3% due to increases in current year grant payments.
- All property taxes received, $4.2 million this year, are categorized as cash flows from noncapital financing activities ($5.8 million in 2021 and $6.8 million in 2020). Property tax collections decreased $1,580,584 or 27.1%. This is a direct result of the District's levy being lower in the current year due to reduced debt service requirements and the additional property tax relief aid received from the state. The other major item in this category is state appropriations, which accounted for approximately $17.5 million of positive cash flow.
- The cash used in capital and related financing activities is primarily made up of two categories of cash flows: purchases of capital assets and capital related debt activity (note proceeds and principal and interest payments). Purchases of capital assets increased $1,549,405 and principal paid on capital debt decreased $635,000.
- Overall, the District's cash increased $104,041 for the current fiscal period.

Statements of Cash Flows (Continued)

Fiscal Year 2021 Compared to 2020

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

- The largest component of cash used in operating activities was payments to employees for salaries/wages. Payments increased $327,116 or 2.6%.

- Another significant component of cash used in operating activities was payments to suppliers for goods and services. This cash outflow decreased $233,110 or 2.1%.

- State and federal grants received increased $1,215,301 or 40.7% due to increases in current year grant payments.

- All property taxes received, $5.8 million this year, are categorized as cash flows from noncapital financing activities ($6.8 million in 2020 and $6.6 million in 2019). Property tax collections decreased $1,022,274 or 14.9%. The other major item in this category is state appropriations, which accounted for slightly under $16.4 million of positive cash flow.

- The cash used in capital and related financing activities is primarily made up of two categories of cash flows: purchases of capital assets and capital related debt activity (note proceeds and principal and interest payments). Purchases of capital assets increased $1,528,307 and principal paid on capital debt decreased $1,660,000.

- Overall, the District's cash increased $1,312,952 for the current fiscal period.

Statements of Net Position

The statements of net position include all assets (items the District owns and amounts owed to the District by others) and liabilities (what the District owes to others and what has been collected from others before we have provided services) and deferred outflows and inflows as applicable. This statement is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service to the District - regardless of when cash is exchanged. Below are highlights of the components of the statements of net position:

	2022	Increase (Decrease) %	2021	Increase (Decrease) %	Restated 2020
Assets:					
Cash and cash equivalents	$ 30,255,575	0.3 %	$ 30,151,534	4.6 %	$ 28,838,582
Net capital assets	27,305,497	7.3 %	25,448,878	4.1 %	24,444,734
Other assets	7,790,923	3.4 %	7,538,166	32.0 %	5,712,404
Total assets	65,351,995	3.5 %	63,138,578	7.0 %	58,995,720
Deferred outflows of resources	11,849,420	33.7 %	8,861,968	37.5 %	6,443,694
Liabilities:					
Other liabilities	820,211	-26.7 %	1,119,540	57.7 %	709,862
Long-term liabilities	6,575,247	-9.6 %	7,275,270	-7.3 %	7,844,209
Total liabilities	7,395,458	-11.9 %	8,394,810	-1.9 %	8,554,071
Deferred inflows of resources	13,525,121	30.0 %	10,403,647	31.9 %	7,888,134
Net position:					
Net investment in capital assets	25,727,352	9.3 %	23,537,366	9.3 %	21,542,422
Restricted for pension benefits	5,627,982	23.4 %	4,560,551	86.4 %	2,446,057
Restricted for debt service	4,251,243	0.2 %	4,244,093	0.3 %	4,232,178
Restricted for student activities	86,324	4.8 %	82,333	-0.8 %	82,975
Unrestricted	20,587,935	-0.9 %	20,777,746	0.4 %	20,693,577
Total net position	$ 56,280,836	5.8 %	$ 53,202,089	8.6 %	$ 48,997,209

Statements of Net Position (Continued)

Fiscal Year 2022 Compared to 2021

Below are highlights of the components of the statements of net position:

- Assets
  - Cash and cash equivalents are broken down into current and restricted. In total they increased 0.3%. Current cash and cash equivalents increased $103,952 and the restricted total increased $89.
  - Net capital assets totaled $27,305,497. Capital assets were $54,243,184 less $26,937,687 of accumulated depreciation. Net capital assets increased $1,856,619 or 7.3%.
  - Other assets include property tax receivables which decreased $493,425 or 31.8%, accounts and other receivables decreased $314,747 or 33.1%, inventory decreased $3,149 or 3.3% and prepaid expenses decreased $3,353 or 0.9%.
- Liabilities
  - Total liabilities decreased $999,352 or 11.9% for the fiscal year. The decrease was mainly due to the pay down of notes payable as well as the continued decrease of the District's OPEB liability.
  - Other liabilities are a result of timing as to when the District incurs and pays its liabilities. Other liabilities totaled $820,211, a decrease of $299,329 or 26.7%.
  - Long-term liabilities decreased $700,023 or 9.6%. Notes payable (including unamortized premium) decreased $333,367 or 17.4%.
- Net Position
  - Net position increased $3,078,747 or 5.8%.
  - Net Investment in capital assets increased $2,189,986 or 9.3%.
  - Restricted for pension benefits increased $1,067,431 or 23.4%.
  - Restricted for debt service increased $7,150 or 0.2%.
  - Restricted for student activities increased by $3,991 or 4.8%.
  - Unrestricted net position of $20,587,935 decreased by $189,811 or 0.9%.

Statements of Net Position (Continued)

Fiscal Year 2021 Compared to 2020

Below are highlights of the components of the statements of net position:

- Assets

  - Cash and cash equivalents are broken down into current and restricted. In total they increased 4.6%. Current cash and cash equivalents increased $1,312,921 and the restricted total increased $31.

  - Net capital assets totaled $25,448,878. Capital assets were $50,771,313 less $25,322,435 of accumulated depreciation. Net capital assets increased $1,004,144 or 4.1%.

  - Other assets include property tax receivables which decreased $538,904 or 25.8%, accounts and other receivables increased $177,509 or 23.0%, inventory decreased $20,230 or 17.4% and prepaid expenses increased $92,893 or 32.5%.

- Liabilities

  - Total liabilities decreased $159,261 or 1.9% for the fiscal year. The decrease was mainly due to the pay down of notes payable.

  - Other liabilities are a result of timing as to when the District pays its liabilities. Other liabilities totaled $1,119,540 an increase of $409,678 or 57.7%.

  - Long-term liabilities decreased $568,939 or 7.3%. Notes payable (including unamortized premium) decreased $990,800 or 34.1%.

- Net Position

  - Net position increased $4,204,880 or 8.6%.

  - Net Investment in capital assets increased $1,994,944 or 9.3%.

  - Restricted for pension benefits increased $2,114,494 or 86.5%

  - Restricted for debt service increased $11,915 or 0.3%.

  - Restricted for student activities decreased $642 or 0.8%. This is a new category for fiscal year 2021 due to the implementation of GASB No. 84.

  - Unrestricted net position of $20,777,746 increased by $84,169 or 0.4%.

Capital Assets and Debt Administration

The District's investment in capital assets as of June 30, 2022, amounts to $27,305,497 (net of accumulated depreciation). These investments in capital assets include land and land improvements, buildings and improvements, and moveable equipment. The District maintains a threshold level of a unit cost of $5,000 or more for capitalization of capital assets.

At the end of the 2022 fiscal year, the District had total general obligation debt outstanding of $1,550,000. The District maintained its solid rating of Aa1 by Moody's Investors Service and continues to meet all of its debt service requirements. Currently issued general obligation debt for equipment, building, and remodeling is repaid in five to ten year issues. The debt is secured by the full faith and credit of the unlimited taxing powers of the District. The current debt adequately replaces and expands the equipment and facility needs of the District. Additional information on the District's long-term debt can be found in the notes to the financial statements.

Financial Position

Fiscal Year 2022 Compared to 2021

Some of the major highlights for the District's financial position are as follows:

- Net position increase 5.8% to $56,280,836.
- Cash and investments increased 0.3% to $30,255,575.
- Non-current obligations of the District decreased 9.6% to $6,575,247. This was mainly due to the pay down on notes payable as well as the continued decrease of the District's OPEB liability.

Fiscal Year 2021 Compared to 2020

Some of the major highlights for the District's financial position are as follows:

- Net position increased 8.6% to $53,202,089.
- Cash and investments increased 4.6% to $30,151,534.
- Non-current obligations of the District decreased 7.3% to $7,275,270. This was mainly due to the pay down on notes payable.

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. The District has a diversity of revenues and higher-than-average tax base and lower-than-average mill rate in comparison to the other 15 technical colleges in Wisconsin.

Moody's Investors Service confirms the healthy financial position of the District in the most recent analysis of the District's financial condition:

- Moody's believes the assignment of the Aa1 rating reflects the District's large and diverse tax base, strong financial position despite declines in enrollment, an average debt burden with rapid principal amortization, and low unfunded pension liabilities.

Economic Factors

The District is confident about its future for the following reasons:

- Property valuations affect the District's tax revenues and continue to remain strong.

- Consistently low mill rates currently in place at the District allow for future flexibility to address the needs of District residents. The College has one of the lowest mill rates among the 16 technical colleges in Wisconsin.

Despite the current strong position of the District, it should be kept in mind there are certain financial realities that must be addressed:

- Expenses are expected to continue to increase due to additional burdens placed on the College to meet student needs.

- Aging District facilities will require increased expenses for maintenance and upkeep.

- Inflationary increases nationwide are felt by the District. The cost of technology and healthcare insurance are but two examples of expanding costs felt throughout the country.

The long-term financial outlook for the District is solid. The current financial position of the District is positive. The tax base is strong and sufficient reserves are in place to meet unexpected contingencies. The District is poised to maintain this positive status into the future.

Basic Financial Statements

Nicolet Area Technical College District

Statements of Net Position

June 30, 2022 and 2021

Assets and Deferred Outflows of Resources	2022	2021
Current assets:		
Cash and cash equivalents	$ 30,202,758	$ 30,098,806
Property taxes receivable	1,059,793	1,553,218
Accounts and other receivables	635,053	949,800
Inventories	92,641	95,790
Prepaid expenses	375,454	378,807
Total current assets	32,365,699	33,076,421
Noncurrent assets:		
Restricted cash and cash equivalents	52,817	52,728
Restricted net pension asset - WRS	5,627,982	4,560,551
Capital assets:		
Capital assets not being depreciated	1,612,878	642,275
Capital assets being depreciated	52,630,306	50,129,038
Less - Accumulated depreciation	(26,937,687)	(25,322,435)
Total noncurrent assets	32,986,296	30,062,157
Total assets	65,351,995	63,138,578
Deferred outflows of resources:		
Related to pensions - WRS	10,496,848	7,068,720
Related to OPEB - District OPEB plan	791,485	1,169,045
Related to OPEB - LRLIF	561,087	624,203
Total deferred outflows of resources	11,849,420	8,861,968
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 77,201,415	$ 72,000,546
Liabilities, Deferred Inflows of Resources, and Net Position		
Current liabilities:		
Accounts payable	$ 262,249	$ 602,480
Accrued liabilities:		
Payroll, payroll taxes, and insurance	336,293	266,332
Interest	7,750	9,375
Unearned revenue	213,919	241,353
Current portion of long-term obligations	369,789	348,851
Total current liabilities	1,190,000	1,468,391
Noncurrent liabilities:		
Notes payable	1,228,145	1,586,512
Compensated absences	81,021	63,996
Total OPEB liability - District OPEB plan	3,136,166	3,653,241
Net OPEB liability - LRLIF	1,663,580	1,507,808
Special termination benefits	96,546	114,862
Total noncurrent liabilities	6,205,458	6,926,419
Total liabilities	7,395,458	8,394,810
Deferred inflows of resources:		
Related to pensions - WRS	13,270,089	10,021,155
Related to OPEB - District OPEB plan	-	93,615
Related to OPEB - LRLIF	255,032	288,877
Total deferred inflows of resources	13,525,121	10,403,647
Net position:		
Net investment in capital assets	25,727,352	23,537,366
Restricted for pension benefits	5,627,982	4,560,551
Restricted for debt service	4,251,243	4,244,093
Restricted for student activities	86,324	82,333
Unrestricted	20,587,935	20,777,746
Total net position	56,280,836	53,202,089
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 77,201,415	$ 72,000,546

See accompanying notes to financial statements.

Nicolet Area Technical College District

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2022 and 2021

	2022	2021
Operating revenues:		
Student program fees, net of scholarship allowances of $759,138 and $898,300, respectively	$ 2,055,405	$ 2,080,265
Student material fees, net of scholarship allowances of $28,006 and $37,088, respectively	94,793	94,764
Other student fees, net of scholarship allowances of $34,695 and $72,063, respectively	115,240	156,185
Federal grants	4,083,367	3,485,646
State grants	539,063	830,552
Business and industry contract revenues	283,266	194,239
Auxiliary enterprise revenues	273,033	292,130
Miscellaneous	353,738	149,579
Total operating revenues	7,797,905	7,283,360
Operating expenses:		
Instruction	11,275,089	11,528,002
Instructional resources	1,187,811	1,117,215
Student services	2,364,291	2,695,481
General institutional	4,957,061	4,678,836
Physical plant	1,857,537	1,577,302
Auxiliary enterprise services	473,497	480,068
Depreciation	1,881,061	1,881,116
Student aid	2,237,860	1,482,989
Total operating expenses	26,234,207	25,441,009
Operating loss	(18,436,302)	(18,157,649)
Nonoperating revenues (expenses):		
Property taxes	3,753,064	5,288,169
State operating appropriations	17,479,960	16,407,479
CARES Act funding	198,860	406,012
Gain (loss) on disposal of capital assets	(2,542)	47,734
Investment income	44,179	41,395
Interest expense	(27,508)	(22,197)
Net nonoperating revenues (expenses)	21,446,013	22,168,592
Income before capital grants and contributions	3,009,711	4,010,943
Capital grants and contributions	69,036	193,937
Change in net position	3,078,747	4,204,880
Net position at beginning of year	53,202,089	48,997,209
Net position at end of year	$ 56,280,836	$ 53,202,089

See accompanying notes to financial statements.

Nicolet Area Technical College District

Statements of Cash Flows

Years Ended June 30, 2022 and 2021

	2022	2021
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Tuition and fees received	$ 116,986	$ 803,254
Federal and state grants received	4,758,915	4,202,119
Business, industry, and school district contract revenues received	287,829	248,753
Payments to employees	(12,325,650)	(12,815,635)
Payments to suppliers	(11,053,213)	(10,972,525)
Auxiliary enterprise revenues received	270,208	291,137
Other receipts	413,384	116,466
Net cash from operating activities	(17,531,541)	(18,126,431)
Cash flows from noncapital financing activities:		
Local property taxes received	4,246,489	5,827,073
State appropriations received	17,479,960	16,407,479
CARES Act funding received	198,860	406,012
Net cash from noncapital financing activities	21,925,309	22,640,564
Cash flows from capital and related financing activities:		
Grants and contributions received for capital assets	69,071	193,902
Proceeds from the sale of capital assets	20,976	93,733
Purchases of capital assets	(4,061,453)	(2,512,048)
Principal paid on capital debt	(325,000)	(960,000)
Interest paid on capital debt	(37,500)	(58,163)
Net cash from capital and related financing activities	(4,333,906)	(3,242,576)
Cash flows from investing activities - Investment income received	44,179	41,395
Net increase in cash and cash equivalents	104,041	1,312,952
Cash and cash equivalents at beginning of year	30,151,534	28,838,582
Cash and cash equivalents at end of year	$ 30,255,575	$ 30,151,534
Reconciliation of ending cash to the statement of net position:		
Cash and cash equivalents	$ 30,202,758	$ 30,098,806
Restricted cash and cash equivalents	52,817	52,728
Cash and cash equivalents at end of year	$ 30,255,575	$ 30,151,534

Nicolet Area Technical College District

Statements of Cash Flows (Continued)

Years Ended June 30, 2022 and 2021

	2022	2021
Reconciliation of operating loss to net cash from operating activities:		
Operating loss	$ (18,436,302)	$ (18,157,649)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	1,881,061	1,881,116
Changes in assets and liabilities:		
Accounts and other receivables	314,711	(177,473)
Inventories	3,149	20,230
Prepaid expenses	3,353	(92,893)
Accounts payable	(39,975)	8,667
Accrued expenses	86,986	(56,843)
Unearned revenue	(27,434)	38,832
Net pension changes (including deferred outflows and inflows)	(1,246,625)	(1,301,416)
Postemployment benefit changes (including deferred outflows and inflows)	(70,465)	(289,002)
Total adjustments	904,761	31,218
Net cash from operating activities	$ (17,531,541)	$ (18,126,431)
Noncash capital and related financing activities:		
Capital asset additions in accounts payable	$ 118,955	$ 419,211

See accompanying notes to financial statements.

Note 1: Summary of Significant Accounting Policies

Introduction

The financial statements of Nicolet Area Technical College District (the "District") have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) 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 1967 under state legislation. The District is fully accredited by the Higher Learning Commission of the North Central Association. The geographic area of the District is comprised of all or part of six counties.

The District, governed by a nine-member Board appointed by Board chairpersons of counties within the service area, operates a public community college offering one and two year degrees, liberal arts studies, 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 key management personnel who implement Board policy and directives.

This report includes all of the funds of the District. The reporting entity for the District consists of (a) the primary government, (b) organizations for which the primary government is financially 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 financial 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; or (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This report does not contain any component units.

Note 1: Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

Nicolet College Foundation, Inc. (the "Foundation") is a not-for-profit organization whose purpose is to solicit, hold, manage, invest, and expend endowment funds and other gifts, grants, and bequests exclusively for the benefit of the District and its students. The Foundation is managed by an independent Board of Directors and is not financially accountable to the District. The financial resources of the Foundation are not significant to the District as a whole, and accordingly, financial information related to the Foundation is not included in these financial statements.

Measurement Focus and Basis of Accounting

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

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

Use of Estimates

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Investments

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

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 of Wisconsin investment board.

Note 1: Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents, and Investments (Continued)

All investments are stated at fair value, except for the District's investment in the Wisconsin Investment Series Cooperative, which is reported at amortized cost. Investment income includes changes in fair value of investments, interest, and realized gains and losses.

Receivables

All accounts receivable are reported net of any anticipated losses due to uncollectible accounts. The collectibility of accounts are 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.

Inventories and Prepaid Expenses

Inventories of books and supplies are valued at the lower of cost, using the first-in/first-out (FIFO) method or market. Instructional and administrative inventories are accounted for as expenses when purchased as there are no material amounts on hand at year-end. Prepaid expenses represent payments made by the District for which benefits extend beyond June 30.

Capital Assets

Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a threshold level of a unit cost of $5,000 or more 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 20 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 asset's useful life are not capitalized.

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is dependent upon the event or circumstance in which the impairment occurred. Impairment losses, if any, are recorded in the statements of revenues, expenses, and changes in net position. There were no impairment losses recorded in the years ended June 30, 2022 and 2021.

Capital assets not being depreciated include land and construction in progress.

Note 1: Summary of Significant Accounting Policies (Continued)

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. Employees may carry over up to two work weeks to use in the following calendar year. Any balance beyond two weeks will be forfeited. Employees leaving the District for any reason are entitled to payment for all earned vacation time. Unearned vacation time that has been used will be deducted from an employee's final pay. Liabilities for vacation and salary related payments, including social security taxes, are recorded when incurred.

Sick Leave - The District provides ten (10) days of sick leave per calendar year. The accumulated sick leave does not vest, therefore no liability has been accrued.

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

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

Postemployment Benefits (LRLIF) - The fiduciary net position of the LRLIF has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

Special Termination Benefits - The District has also offered additional funding of insurance costs as an incentive to encourage early retirement in prior years. The remaining balance of this incentive is recognized as a long-term liability in the statements of net position.

Note 1: Summary of Significant Accounting Policies (Continued)

Restricted Assets

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

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Unspent portions of capital-related debt proceeds are not included in this category. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of the remaining amounts that do not meet the definition of the two preceding categories.

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

Property Tax Levy

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

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

Under Section 38.16 of the Wisconsin Statutes, the District Board may levy a tax not to exceed the prior year's levy by the District's inflation factor, which is equal to the percentage change in the District's equalized value from the prior year due to net new construction, for the purposes of making capital improvements, acquiring equipment, operating, and maintaining schools. The 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, 2022 and 2021, the District levied at the following mill rate:

	2022	2021
Operating purposes	$ 0.17399	$ 0.23054
Debt service requirements	0.01859	0.05497
Total	$ 0.19258	$ 0.28551

Note 1: Summary of Significant Accounting Policies (Continued)

State and Federal Revenues

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

Tuition and Fees

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

Scholarship Allowances and Student Financial Aid

Financial aid to students is reported in the basic financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain student financial aid (loans, funds provided to students as awarded by third parties, and Federal direct loans) is accounted for as third-party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenue. Scholarship allowances represent the amount of aid applied directly to the student's account. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total District basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third-party aid.

Classification of Revenues and Expenses

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

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

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources related to the District's OPEB plan, the Local Retiree Life Insurance Fund (LRLIF), and the Wisconsin Retirement System (WRS). The deferred outflows of resources related to the District OPEB plan represent District contributions to the plan subsequent to the measurement date of the total OPEB liability as well as changes in assumptions. The deferred outflows of resources related to the LRLIF and WRS represent its proportionate shares of collective deferred outflows of resources of the plans and District contributions to the plans subsequent to the measurement date of the collective net pension and OPEB liabilities (assets).

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources related to the District's OPEB plan, LRLIF, and WRS. The deferred inflows related to LRLIF and WRS represent its proportionate shares of the collective deferred inflows of resources of the plans. The District reports deferred inflows of resources related to the District OPEB plan for changes in assumptions and the net difference between expected and actual experience.

Subsequent Events

Subsequent events have been evaluated through December 12, 2022, which is the date the financial statements were available to be issued.

Note 2: Cash and Investments

The District's cash and cash equivalents consisted of the following at June 30:

	2022	2021
WISC Investment Series	$ 52,817	$ 52,728
Cash deposits with financial institutions carrying amount	30,199,264	30,092,996
Petty cash	3,494	5,810
Total cash and cash equivalents	$ 30,255,575	$ 30,151,534

Cash and cash equivalents are classified on June 30:

	2022	2021
Restricted - Capital projects	$ 52,817	$ 52,728
Unrestricted	30,202,758	30,098,806
Total cash and cash equivalents	$ 30,255,575	$ 30,151,534

Note 2: Cash and Investments (Continued)

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, 2022, $29,527,168 of the District's bank balance of $30,427,168 was subject to custodial credit risk as uninsured, however, this balance was collateralized with securities held by the pledging financial institution's agent in an account titled in the District's name.

Investments

Interest Rate Risk - Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State Statutes limit the maturity of commercial paper and corporate bonds to not more than seven years. The Wisconsin Investment Series Cooperative (WISC) weighted average maturity is less than 120 days.

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 Statutes limit 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 Investment Series Cooperative. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - For an investment, concentration of credit risk is the risk of loss that may be caused by the District's investment in a single issuer. The District does not have an investment policy for concentration of credit risk. At June 30, 2022 and 2021, the District had no investments in any one issuer (excluding U.S. Treasury securities, money market funds, certificates of deposits, and the external investment pool) that represent 5% or more of the total District investments.

The District is a participant in the Wisconsin Investment Series Cooperative (WISC) funds, which are authorized under Wisconsin Statute 66.0301 and are governed by a commission in accordance with the terms of an intergovernmental cooperation agreement. The WISC is not registered with the SEC as an investment company. The WISC reports to participants on the amortized cost basis. WISC shares are bought and redeemed at $1 based on the amortized cost of the investments in the pool. Participants in WISC have the right to withdraw their funds in total on one day's notice. The investments in WISC are not subject to the fair value hierarchy disclosures.

Note 3: Accounts and Other Receivables

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

	2022	2021
Intergovernmental	$ 225,293	$ 361,813
Contracted services	25,266	97,583
Student receivable	475,600	582,404
Allowance for uncollectible amounts	(91,106)	(92,000)
Total	$ 635,053	$ 949,800

Nicolet Area 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:

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Capital assets not being depreciated:				
Land	$ 214,500	$ 0	$ 0	$ 214,500
Construction in progress	427,775	1,156,498	185,895	1,398,378
Total capital assets not being depreciated	642,275	1,156,498	185,895	1,612,878
Capital assets being depreciated:				
Site improvements	1,698,895			1,698,895
Buildings	14,699,833			14,699,833
Building improvements	18,784,372	2,047,549		20,831,921
Furniture and equipment	14,945,938	743,045	289,326	15,399,657
Total capital assets being depreciated	50,129,038	2,790,594	289,326	52,630,306
Less accumulated depreciation for:				
Site improvements	594,914	67,499		662,413
Buildings	7,960,088	234,167		8,194,255
Building improvements	5,153,460	615,610		5,769,070
Furniture and equipment	11,613,973	963,785	265,809	12,311,949
Total accumulated depreciation	25,322,435	1,881,061	265,809	26,937,687
Total capital assets being depreciated, net of accumulated depreciation	24,806,603	909,533	23,517	25,692,619
Net capital assets	25,448,878	$ 2,066,031	$ 209,412	27,305,497
Less outstanding debt related to capital assets	(1,911,512)			(1,578,145)
Net investment in capital assets	$ 23,537,366			$ 25,727,352

Note 4: Capital Assets (Continued)

	Balance 7/1/2020	Increases	Decreases	Balance 6/30/2021
Capital assets not being depreciated:				
Land	$ 214,500	$ 0	$ 0	$ 214,500
Construction in progress		427,775		427,775
Total capital assets not being depreciated	214,500	427,775		642,275
Capital assets being depreciated:				
Site improvements	1,001,539	697,356		1,698,895
Buildings	14,699,833			14,699,833
Building improvements	18,133,685	650,687		18,784,372
Furniture and equipment	14,170,773	1,155,441	380,276	14,945,938
Total capital assets being depreciated	48,005,830	2,503,484	380,276	50,129,038
Less accumulated depreciation for:				
Site improvements	538,768	56,146		594,914
Buildings	7,635,295	324,793		7,960,088
Building improvements	4,601,357	552,103		5,153,460
Furniture and equipment	11,000,176	948,074	334,277	11,613,973
Total accumulated depreciation	23,775,596	1,881,116	334,277	25,322,435
Total capital assets being depreciated, net of accumulated depreciation	24,230,234	622,368	45,999	24,806,603
Net capital assets	24,444,734	$ 1,050,143	$ 45,999	25,448,878
Less outstanding debt related to capital assets	(2,902,312)			(1,911,512)
Net investment in capital assets	$ 21,542,422			$ 23,537,366

Note 5: Long-Term Obligations

General Obligation Notes

The District has several issues of general obligation notes outstanding at June 30, 2022 and 2021, totaling $1,550,000 and $1,875,000, respectively. The issues bear interest at rates ranging from 1.00% to 2.00% and mature in varying amounts with the final payments due in 2026. The notes are secured by the full faith and unlimited taxing power of the District.

Long-term liability activity for the years ended June 30, 2022 and 2021, was as follows:

	Balance 7/1/2021	Additions	Reductions	Balance 6/30/2022	Amounts Due Within One Year
General obligation notes	$ 1,875,000	$ 0	$ 325,000	$ 1,550,000	$ 350,000
Premium on general obligation notes	36,512		8,367	28,145	
Compensated absences	63,996	96,100	79,075	81,021	
Special termination benefits	138,713	1,473	23,851	116,335	19,789
Totals	$ 2,114,221	$ 97,573	$ 436,293	$ 1,775,501	$ 369,789

	Balance 7/1/2020	Additions	Reductions	Balance 6/30/2021	Amounts Due Within One Year
General obligation notes	$ 2,835,000	$ 0	$ 960,000	$ 1,875,000	$ 325,000
Premium on general obligation notes	67,312		30,800	36,512	
Compensated absences	68,973	103,666	108,643	63,996	
Special termination benefits	159,679		20,966	138,713	23,851
Totals	$ 3,130,964	$ 103,666	$ 1,120,409	$ 2,114,221	$ 348,851

General Obligation Debt

	Issue	Interest Rates %	Date of Maturity	Balance 6/30/2022	Balance 6/30/2021
General obligation notes	5/2/2016	1.00% - 2.00%	4/1/2026	$ 800,000	$ 1,000,000
General obligation notes	6/30/2016	1.00% - 2.00%	4/1/2026	750,000	875,000
Total general obligation debt				$ 1,550,000	$ 1,875,000

Note 5: Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Aggregate cash flow requirements for the retirement of long-term principal and interest on general obligation debt as of June 30, 2022, follows.

Year Ended June 30	Principal	Interest	Totals
2023	$ 350,000	$ 31,000	$ 381,000
2024	400,000	24,000	424,000
2025	400,000	16,000	416,000
2026	400,000	8,000	408,000
Totals	$ 1,550,000	$ 79,000	$ 1,629,000

Legal Debt Limit

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 legal debt limit and the margin of indebtedness as of June 30, 2022, are calculated as follows:

Legal debt limit (5% of $19,585,282,266)	$ 979,264,113
Deduct - Long-term debt applicable to debt margin	(1,550,000)
Restricted net position available for debt service	4,251,243
Margin of indebtedness	$ 981,965,356

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 $391,705,645 at June 30, 2022, and the District's outstanding bonded indebtedness (net of resources to pay principal and interest) was $0.

Note 6: Employee Retirement Plans - Wisconsin Retirement System (WRS)

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

Note 6: Employee Retirement Plans - Wisconsin Retirement System (WRS) (Continued)

Plan Description (Continued) - ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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

Benefits Provided - Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

Note 6: Employee Retirement Plans - Wisconsin Retirement System (WRS) (Continued)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2012	(7.0)%	(7.0)%
2013	(9.6)%	9.0 %
2014	4.7 %	25.0 %
2015	2.9 %	2.0 %
2016	0.5 %	(5.0)%
2017	2.0 %	4.0 %
2018	2.4 %	17.0 %
2019	0.0 %	(10.0)%
2020	1.7 %	21.0 %
2021	5.1 %	13.0 %

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, executives and elected officials. Starting on January 1, 2016, the executive and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

For the years ended June 30, 2022 and 2021, the WRS recognized $750,482 and $797,100, respectively, in contributions from the employer.

The District only has employees in the general category which had the following contribution rates as of June 30, 2022 and 2021:

	2022		2021	
	Employee	Employer	Employee	Employer
General (including teachers, executives, and elected officials)	6.50 %	6.50 %	6.75 %	6.75 %

Note 6: Employee Retirement Plans - Wisconsin Retirement System (WRS) (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022 and 2021, the District reported an asset of $5,627,982 and $4,560,551, respectively, for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of the calendar year-end that falls within the District's fiscal year and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation one year prior to that date rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021 and 2020, the District's proportion was 0.06982449% and 0.07304902%, which was a decrease of 0.00322453% and a decrease of 0.00281051% from its proportion measured in the respective prior year.

For the years ended June 30, 2022 and 2021, the District recognized pension expense of $(496,143) and $(504,315).

At June 30, 2022 and 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022		2021	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 9,091,721	$ 655,611	$ 6,600,518	$ 1,421,739
Changes in assumptions	1,049,989		103,442	
Net differences between projected and actual earnings on pension plan investments		12,590,264		8,562,064
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,300	24,214	251	37,352
Employer contributions subsequent to the measurement date	338,838		364,509	
Total	$ 10,496,848	$ 13,270,089	$ 7,068,720	$ 10,021,155

Note 6: Employee Retirement Plans - Wisconsin Retirement System (WRS) (Continued)

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (continued) - $338,838 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Increase (Decrease) in Pension Expense
2023	$ (271,315)
2024	(1,531,300)
2025	(668,521)
2026	(640,943)

Actuarial Assumptions - The total pension liability in the actuarial valuations used for the years ended June 30, 2022 and 2021, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2022	2021
Actuarial Valuation Date	December 31, 2020	December 31, 2019
Measurement Date of Net Pension Liability (Asset)	December 31, 2021	December 31, 2020
Experience Study:	January 1, 2018 - December 31, 2020	January 1, 2015 - December 31, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Fair Value	Fair Value
Long-Term Expected Rate of Return	6.8 %	7.0 %
Discount Rate	6.8 %	7.0 %
Salary Increases:		
Inflation	3.0 %	3.0 %
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table	Wisconsin 2018 Mortality Table
Postretirement Adjustments*	1.7 %	1.9 %

** No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% 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 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The total pension liability (asset) for December 31, 2021 and 2020, is based upon a roll-forward of the liability calculated from the December 31, 2020 and 2019, actuarial valuations.

Note 6: Employee Retirement Plans - Wisconsin Retirement System (WRS) (Continued)

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

	December 31, 2021		
Asset Allocation Targets and Expected Returns	**Asset Allocation %**	**Long-Term Expected Nominal Rate of Return %**	**Long-Term Expected Real Rate of Return%**
Core Fund			
Global equities	52.0 %	6.8 %	4.2 %
Fixed income	25.0 %	4.3 %	1.8 %
Inflation sensitive assets	19.0 %	2.7 %	0.2 %
Real estate	7.0 %	5.6 %	3.0 %
Private equity/debt	12.0 %	9.7 %	7.0 %
Total core fund	115.0 %	6.6 %	4.0 %
Variable Fund			
U.S. equities	70.0 %	6.3 %	3.7 %
International equities	30.0 %	7.2 %	4.6 %
Total variable fund	100.0 %	6.8 %	4.2 %

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.50%.

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

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Note 6: Employee Retirement Plans - Wisconsin Retirement System (WRS) (Continued)

Actuarial Assumptions - Long-term Expected Return on Plan Assets: (Continued)

	December 31, 2020		
Asset Allocation Targets and Expected Returns	**Asset Allocation %**	**Long-Term Expected Nominal Rate of Return %**	**Long-Term Expected Real Rate of Return%**
Core Fund			
Global equities	51.0 %	7.2 %	4.7 %
Fixed income	25.0 %	3.2 %	0.8 %
Inflation sensitive assets	16.0 %	2.0 %	(0.4)%
Real estate	8.0 %	5.6 %	3.1 %
Private equity/debt	11.0 %	10.2 %	7.6 %
Multi-asset	4.0 %	5.8 %	3.3 %
Total core fund	115.0 %	6.6 %	4.1 %
Variable Fund			
U.S. equities	70.0 %	6.6 %	4.1 %
International equities	30.0 %	7.4 %	4.9 %
Total variable fund	100.0 %	7.1 %	4.6 %

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.40%.

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

Single Discount Rate: A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% (2021) and 7.0% (2020) and a municipal bond rate of 1.84% (2021) and 2.00% (2020) (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021 and 2020, respectively. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities). Because of the unique structure of WRS, the 6.8% (2021) and 7.0% (2020) expected rate of return implies that a dividend of approximately 1.7% (2021) and 1.9% (2020) will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 6: 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:

	2022		2021	
	Discount Rate	**Net Pension Liability (Asset)**	**Discount Rate**	**Net Pension Liability (Asset)**
1% decrease to the rate	5.8 %	$ 3,993,452	6.0 %	$ 4,341,013
Current discount rate	6.8 %	$ (5,627,982)	7.0 %	$ (4,560,551)
1% increase to the rate	7.8 %	$ (12,553,625)	8.0 %	$ (11,098,684)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available online at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

Note 7: Other Postemployment Benefits - District OPEB Plan

Plan Description - The District administers a single-employer defined benefit healthcare plan. The plan provides medical insurance benefits to eligible retirees and their spouses through the District's group medical insurance plan, which covers both active and retired members. 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 - Employees hired prior to July 1, 2015, are eligible at age 55. The eligibility requirements as of July 1, 2015, are based on the years of service and age at retirement. If eligible, the retiree may receive medical insurance benefits until the earliest of the following three events: the benefit is exhausted, the retiree reaches Medicare eligibility, or death of the retiree. Effective July 1, 2015, the amount of the benefit is determined by applying accumulated sick leave days to a benefit multiplier, based on years of service.

Employees Covered by the Benefit Terms - At June 30, 2020, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	71
Active employees	144
Total	215

Note 7: Other Postemployment Benefits - District OPEB Plan (Continued)

Total OPEB Liability - The District's total OPEB liability at June 30, 2022, was $3,136,166, was measured as of June 30, 2021, and was determined by an update to the actuarial valuation dated June 30, 2020. The District's total OPEB liability at June 30, 2021, was $3,653,241, was measured as of June 30, 2020, and was determined by an actuarial valuation dated June 30, 2020.

Actuarial Assumptions - The total OPEB liability in the June 30, 2021, update to the actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry Age Normal
Inflation	2.00 %
Discount Rate	2.25 %
Healthcare cost trend rate	6.50% decreasing by 0.10% per year down to 5.00%, and level thereafter

The total OPEB liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry Age Normal
Inflation	2.00 %
Discount Rate	2.25 %
Healthcare cost trend rate	6.50% decreasing by 0.10% per year down to 5.00%, and level thereafter

The 2.25% discount rate used to measure the total OPEB liability was based on the Bond Buyer GO 20-year AA Bond Index published by the Federal Reserve as of the respective measurement dates. Mortality rates were based upon the Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied by 60%). The actuarial assumptions were based on an experience study conducted in 2018 using WRS experience from 2015 to 2017.

Changes in Total OPEB Liability - OPEB liability activity for the years ended June 30, 2022 and 2021, were as follows:

Balance at July 1, 2021	$ 3,653,241
Service cost	95,843
Interest	75,531
Benefit payments	(688,449)
Balance at June 30, 2022	$ 3,136,166

Note 7: Other Postemployment Benefits - District OPEB Plan (Continued)

Changes in Total OPEB Liability (Continued)

Balance at July 1, 2020	$	3,540,568
Service cost		101,442
Interest		113,106
Differences between expected and actual experience		454,333
Changes in assumptions or other input		163,193
Benefit payments		(719,401)
Balance at June 30, 2021	$	3,653,241

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate - The following represents the District's total OPEB liability calculated using the discount rate, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower and 1-percentage-point higher than the current rate:

	2022		2021	
	Discount Rate	**Total OPEB Liability**	**Discount Rate**	**Total OPEB Liability**
1% decrease to the rate	1.25 %	$ 3,259,872	1.25 %	$ 3,796,306
Current rate	2.25 %	$ 3,136,166	2.25 %	$ 3,653,241
1% increase to the rate	3.25 %	$ 3,016,161	3.25 %	$ 3,515,517

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following represents the District's total OPEB liability calculated using the current healthcare cost trend rate as well as what the District's total OPEB liability would be if it were calculated using the healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	2022		2021	
	Healthcare Cost Trend Rate	**Total OPEB Liability**	**Healthcare Cost Trend Rate**	**Total OPEB Liability**
1% decrease to the rate	5.5% decreasing to 4.0%	$ 3,075,526	5.5% decreasing to 4.0%	$ 3,596,467
Current rate	6.5% decreasing to 5.0%	$ 3,136,166	6.5% decreasing to 5.0%	$ 3,653,241
1% increase to the rate	7.5% decreasing to 6.0%	$ 3,191,339	7.5% decreasing to 6.0%	$ 3,704,886

Note 7: Other Postemployment Benefits - District OPEB Plan (Continued)

OPEB Expense and Deferred Outflow of Resources - For the years ended June 30, 2022 and 2021, the District recognized OPEB expense of $240,866 and $261,072, respectively. At June 30, 2022 and 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 227,167	$ 0	$ 340,750	$ 45,963
Changes in assumptions	90,322		139,846	47,652
Employer contributions subsequent to the measurement date	473,996		688,449	
Total	$ 791,485	$ 0	$ 1,169,045	$ 93,615

$473,996 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Increase (Decrease) in OPEB Expense
2023	$ 163,106
2024	154,383

Note 8: Other Postemployment Benefits - Local Retiree Life Insurance Fund

Plan Description - The Local Retiree Life Insurance Fund (LRLIF) is a cost-sharing multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position - ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found online at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

Benefits Provided - The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired members and pre-age 65 retirees who pay for their coverage.

Note 8: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Contributions - The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement benefit.

Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of June 30, 2022 and 2021, are as follows:

Coverage Type	Employer Contribution
50% postretirement coverage	40% of member contribution
25% postretirement coverage	20% of member contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per $1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the years ended December 31, 2021 and 2020, are as listed below:

Life Insurance Employee Contribution Rates
For the Years Ended December 31, 2021 and 2020

Attained Age	Basic	Supplemental
Under 30	$ 0.05	$ 0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

For the years ended June 30, 2022 and 2021, the LRLIF recognized $5,772 and $5,465, respectively, in contributions from the employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2022 and 2021, the District reported a liability of $1,663,580 and $1,507,808, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of the calendar year-end that falls within the District's fiscal year and the total OPEB liability used to calculate the net OPEB liability 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 OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021 and 2020, the District's proportion was 0.28146800% and 0.27411100%, which was an increase of 0.00735700% and a decrease of 0.00128200% from its proportion measured in the respective prior year.

For the years ended June 30, 2022 and 2021, the District recognized OPEB expense of $190,814 and $164,898.

Note 8: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued) - At June 30, 2022 and 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 0	$ 84,626	$ 0	$ 71,947
Net differences between projected and actual earnings on OPEB plan investments	21,644		21,952	
Changes in assumptions	502,625	80,634	586,560	103,456
Changes in proportion and differences between employer contributions and proportionate share of contributions	33,994	89,772	12,967	113,474
Employer contributions subsequent to the measurement date	2,824		2,724	
Total	$ 561,087	$ 255,032	$ 624,203	$ 288,877

$2,824 reported as deferred outflows related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2023	$ 65,659
2024	63,148
2025	53,838
2026	76,820
2027	39,817
Thereafter	3,949

Note 8: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions - The total OPEB liability in the January 1, 2021 and 2020, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2022	2021
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Measurement date of net OPEB liability	December 31, 2021	December 31, 2020
Actuarial cost method	Entry Age Normal	Entry Age Normal
20 year tax-exempt municipal bond yield	2.06 %	2.12 %
Long-term expected rate of return	4.25 %	4.25 %
Discount rate	2.17 %	2.25 %
Salary Increases:		
Inflation	3.00 %	3.00 %
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the price inflation, mortality and separation rates. The total OPEB liability for December 31, 2021 and 2020, is based upon a roll-forward of the liability calculated from the January 1, 2021 and 2020, actuarial valuation, respectively.

Long-Term Expected Return on Plan Assets: The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carrier's general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2021

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit bonds	Bloomberg US Interm Credit	45 %	1.68 %
U.S. Long Credit bonds	Bloomberg US Long Credit	5 %	1.82 %
U.S. Mortgages	Bloomberg US MBS	50 %	1.94 %
Inflation			2.30 %
Long-term expected rate of return			4.25 %

Note 8: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions - Long-Term Expected Return on Plan Assets (Continued):

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2020

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Credit bonds	Barclays Credit	50 %	1.47 %
U.S. Mortgages	Barclays MBS	50 %	0.82 %
Inflation			2.20 %
Long-term expected rate of return			4.25 %

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single Discount Rate: A single discount rate of 2.17% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Note 8: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

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

	2022		2021	
	Discount Rate	Net OPEB Liability	Discount Rate	Net OPEB Liability
1% decrease to the rate	1.17 %	$ 2,256,878	1.25 %	$ 2,051,051
Current discount rate	2.17 %	$ 1,663,580	2.25 %	$ 1,507,808
1% increase to the rate	3.17 %	$ 1,217,147	3.25 %	$ 1,096,970

Note 9: Special Termination Benefits

The District has offered additional funding of insurance costs as an incentive to encourage early retirement in prior years.

During the year ended June 30, 2022, 11 employees received benefits under these provisions totaling $23,851. During the year ended June 30, 2021, 12 employees received benefits under these provisions totaling $20,966. The value of providing these benefits in the future aggregated $116,335 and $138,713 on June 30, 2022 and 2021, respectively.

Note 10: 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 $500,000,000 per occurrence; equipment of $100,000,000 per occurrence; general liability, auto, and educators legal liability at $5,000,000 per occurrence; and worker's 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 $5,000 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 2022 and 2021. For the years ended June 30, 2022 and 2021, the District paid premiums of $160,834 and $120,202, 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 W. Pinehurst Trail, Dakota Dunes, South Dakota 57049.

Note 10: 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 commercial carriers for its members:

- Foreign Liability - $1,000,000 aggregate general; $1,000,000 auto per accident; $1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses, and $1,000 deductible for employee benefits.

- Crime - $750,000 coverage for employee dishonesty, forgery, computer fraud, and funds transfer fraud; $750,000 coverage for theft, robbery, burglary, disappearance and destruction of money and securities; $25,000 coverage for investigation expenses; $2,500 deductible for investigation; a $5,000 deductible for employee dishonesty, forgery, and fraud; and $100,000 coverage for impersonation fraud with a $25,000 deductible.

The scope of settled claims has not exceeded the coverage limits in any of the past four fiscal years. There was no significant reduction in the District's insurance coverage in fiscal year 2022.

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

Public Risk Entity Pool

As of January 1, 2018, the District joined the Wisconsin Technical College Employee Benefits Consortium (WTCEBC). WTCEBC is a public entity risk pool that the District participates in to provide health insurance coverage to its employees. The main purpose of WTCEBC is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophic coverage and aggregate stop-loss reinsurance over the selected retention limit. The District pays WTCEBC a monthly premium based on the number of participants and the type of coverage that has been elected. Individual claims below $100,000 are self-funded by the District. Any individual claim exceeding $100,000 but less than $250,000 is shared in a pooled layer among all of the colleges participating in the consortium. Individual claims exceeding $250,000 and aggregate claims exceeding $1,000,000 are subject to reinsurance. Each college maintains an individual reserve with WTCEBC. In the event a college were to leave the consortium, their reserve would be used to pay their remaining claims, and the balance would be refunded to the college.

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

For the years ended June 30, 2022 and 2021, the District paid premiums of $4,178,920 and $4,070,131, respectively. In addition, the District paid an additional $250,000 to WTCEBC during the year ended June 30, 2021 to replenish the District's reserve.

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

Note 11: Contingent Liabilities

From time to time the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and appropriate legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

Note 12: Expense Classification

Operating expenses by natural classification were as follows for the years ended June 30:

	2022	2021
Salaries and wages	$ 12,412,636	$ 12,758,792
Fringe benefits	4,902,262	4,874,215
Travel, memberships, and subscriptions	493,215	395,328
Supplies and minor equipment	942,696	1,113,446
Postage, printing, and advertising	300,826	279,762
Repairs and maintenance	582,977	530,911
Contracted services	1,603,447	1,410,965
Insurance	166,321	177,605
Utilities	469,651	366,973
Depreciation	1,881,061	1,881,116
Other	241,255	168,907
Student aid	2,237,860	1,482,989
Total operating expenses	$ 26,234,207	$ 25,441,009

Note 13: New Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. The statement enhances the relevance and consistency of reporting for the District's leasing activities by establishing requirements for lease accounting based on the principle that leases are financings of underlying right-to-use assets. A lessee is required to recognize a lease liability and intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. The District adopted this guidance retroactively for the year ended June 30, 2022. The adoption of this guidance did not affect beginning net position for the year ended June 30, 2021 and, accordingly, restatement of beginning net position was not necessary.

Note 14: Outstanding Contractual Commitments

The District entered into various contracts with construction contractors during the year. The following amounts remain unspent as of June 30, 2022:

Construction Contractors	Amount Remaining
Greenfire Management Services, LLC	$ 278,422

Note 15: Related Parties

The College furnishes salaries and benefits for the executive director, office space, and printing and office supplies to Nicolet College Foundation, Inc. The value of these items was $136,793 and $135,096 for the years ended June 30, 2022 and 2021, respectively.

Required Supplementary Information

Nicolet Area Technical College District

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

Last 10 Years*

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

Last 10 Calendar Years*

Measurement Date December 31,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	Districts Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.06982449 %	$ (5,627,982)	$ 11,498,563	(48.95)%	106.02 %
2020	0.07304902	(4,560,551)	12,102,296	(37.68)	105.26
2019	0.07585953	(2,446,057)	11,287,761	(21.67)	102.96
2018	0.07951865	2,829,024	11,724,134	24.13	96.45
2017	0.08163889	(2,423,955)	12,030,872	(20.15)	102.93
2016	0.08221758	677,669	11,774,592	5.76	99.12
2015	0.08309205	1,350,230	11,717,259	11.52	98.20
2014	0.08493508	(2,086,238)	11,575,952	(18.02)	102.74

Schedule of the Employer Contributions Wisconsin Retirement System (WRS)

Last 10 Fiscal Years*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll for the Fiscal Year	Contributions as a Percentage of Covered Payroll
2022	$ 750,482	$ 750,482	$ -	$ 11,311,317	6.63 %
2021	797,100	797,100	-	11,808,893	6.75
2020	752,725	752,725	-	11,315,815	6.65
2019	752,776	752,776	-	11,362,307	6.63
2018	811,765	811,765	-	12,026,357	6.75
2017	789,282	789,282	-	11,776,050	6.70
2016	791,107	791,107	-	11,811,281	6.70
2015	801,128	801,128	-	11,614,296	6.90

Nicolet Area Technical College District

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

Notes to the Schedules:

Changes of benefit terms: There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

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

See Independent Auditor's Report.

Nicolet Area Technical College District

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

Year Ended June 30, 2022	2021	2020	2019	2018	2017
Valuation Date:	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	2.1%	2.1%	2.1%

Nicolet Area Technical College District

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

Year Ended June 30, 2022	2021	2020	2019	2018	2017
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

.

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

Nicolet Area Technical College District

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

Year Ended June 30, 2022	2016	2015	2014	2013
Valuation Date:	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions				
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:				
Pre-retirement:	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%
Salary Increases				
Wage Inflation:	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%

Nicolet Area Technical College District

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

Year Ended June 30, 2022	2016	2015	2014	2013
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experiencebased table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

Nicolet Area Technical College District

Schedule of the Changes in the Employer's Total OPEB Liability and Related Ratios - District OPEB Plan

Last Ten Fiscal Years (When Available) *

	2022	2021	2020	2019	2018	2017
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Total OPEB Liability						
Service cost	$ 95,843	$ 101,442	$ 95,225	$ 141,545	$ 149,919	$ 149,919
Interest	75,531	113,106	138,172	155,757	147,686	161,726
Differences between expected and actual experience		454,333		(183,855)		
Changes in assumptions or other input		163,193	34,903	(190,605)	(91,872)	
Benefit payments	(688,449)	(719,401)	(729,412)	(601,195)	(747,196)	(812,130)
Net change in total OPEB liability	(517,075)	112,673	(461,112)	(678,353)	(541,463)	(500,485)
Total OPEB liability at beginning	3,653,241	3,540,568	4,001,680	4,680,033	5,221,496	5,721,981
Total OPEB liability at end	$ 3,136,166	$ 3,653,241	$ 3,540,568	$ 4,001,680	$ 4,680,033	$ 5,221,496
District's covered payroll	$ 11,243,057	$ 11,243,057	$ 10,947,805	$ 10,947,805	$ 9,958,317	$ 9,958,317
Total OPEB liability as a percentage of covered payroll	27.89 %	32.49 %	32.34 %	36.55 %	47.00 %	52.43 %

Notes to Schedule

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

Changes of assumptions: There were no changes in assumptions.

* This schedule is intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

Nicolet Area Technical College District

Schedules of the Employer's Proportionate Share of the Net OPEB Liability and Employer Contributions - Local Retiree Life Insurance Fund (continued)

Last Ten Fiscal Years (When Available) *

	2022	2021	2020	2019	2018
Schedule of Employer's Proportionate Share of the Net OPEB Liability					
Measurement date	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
District's proportion of the net OPEB liability	0.28146800 %	0.27411100 %	0.27539300 %	0.31098400 %	0.33259100 %
District's proportionate share of the net OPEB liability	$ 1,663,580	$ 1,507,808	$ 1,172,677	$ 802,444	$ 1,000,627
District's covered payroll during the measurement period	$ 11,189,000	$ 11,080,000	$ 10,670,713	$ 11,205,224	$ 11,644,676
Plan fiduciary net position as a percentage of the total OPEB liability	29.57 %	31.36 %	37.58 %	48.69 %	44.81 %
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	14.87 %	13.61 %	10.82 %	7.40 %	7.15 %
Schedule of Employer Contributions					
Contractually required contributions for the fiscal period	$ 5,772	$ 5,557	$ 5,356	$ 5,707	$ 6,331
Contributions in relation to the contractually required contributions	(5,772)	(5,557)	(5,356)	(5,707)	(6,331)
Contribution excess	$ 0	$ 0	$ 0	$ 0	$ 0
District's covered payroll for the fiscal period	$ 10,769,099	$ 11,285,322	$ 10,729,123	$ 10,847,342	$ 11,549,815
Contributions as a percentage of covered payroll	0.05 %	0.05 %	0.05 %	0.05 %	0.05 %

Nicolet Area Technical College District

Schedules of the Employer's Proportionate Share of the Net OPEB Liability and Employer Contributions - Local Retiree Life Insurance Fund (continued)

Notes to Schedules

Changes of benefit terms: There were no changes of benefit terms for any participating employer in LRLIF.

Changes of assumptions: In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

* This schedule is intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

Supplementary Financial Information

Nicolet Area 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, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	$ 2,997,061	$ 2,997,061	$ 2,406,785	$ 0	$ 2,406,785	$ (590,276)
State revenues	16,379,132	16,379,132	17,479,960		17,479,960	1,100,828
Federal revenues	2,500	2,500	108,693		108,693	106,193
Statutory program fees	2,818,409	2,818,409	2,819,226		2,819,226	817
Material fees	157,000	157,000	122,041		122,041	(34,959)
Other student fees	77,500	77,500	31,143		31,143	(46,357)
Institutional revenues	200,000	200,000	401,435		401,435	201,435
Total revenues	22,631,602	22,631,602	23,369,283		23,369,283	737,681
Expenditures:						
Instruction	11,043,888	11,043,888	9,625,636		9,625,636	1,418,252
Instructional resources	899,715	899,715	895,811		895,811	3,904
Student services	2,661,122	2,661,122	2,083,000		2,083,000	578,122
General institutional	6,228,164	6,143,164	5,761,065		5,761,065	382,099
Physical plant	1,798,713	1,883,713	1,876,149		1,876,149	7,564
Total expenditures	22,631,602	22,631,602	20,241,661		20,241,661	2,389,941
Excess of revenues over expenditures			3,127,622		3,127,622	3,127,622
Fund balance - Beginning of year	13,325,368	13,325,368	13,325,368		13,325,368	
Fund balance - Transfers out		(2,725,000)	(2,725,000)		(2,725,000)	
Fund balance - End of year	$ 13,325,368	$ 10,600,368	$ 13,727,990	$ 0	$ 13,727,990	$ 3,127,622

Fund balance:	
Reserved:	
Prepaid items	$ 325,975
Noncurrent assets	13,199
Postemployment benefits	7,344,982
Unreserved - Designated:	
State aid fluctuations	160,000
Subsequent year	819,000
Operations	5,064,834
Total fund balance	$ 13,727,990

See Independent Auditor's Report.
See accompanying notes to budgetary comparison schedules.

Nicolet Area 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, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	$ 1,216,226	$ 1,216,226	$ 759,940	$ 0	$ 759,940	$ (456,286)
State revenues	335,394	335,394	539,063		539,063	203,669
Federal revenues	661,866	661,866	1,119,148		1,119,148	457,282
Institutional revenues	260,000	260,000	283,266		283,266	23,266
Total revenues	2,473,486	2,473,486	2,701,417		2,701,417	227,931
Expenditures:						
Instruction	2,002,168	2,002,168	2,119,259		2,119,259	(117,091)
Instructional resources	234,800	234,800	305,051		305,051	(70,251)
Student Services	236,518	236,518	256,564		256,564	(20,046)
General institutional	-	-	20,543		20,543	(20,543)
Total expenditures	2,473,486	2,473,486	2,701,417		2,701,417	(227,931)
Excess of revenues over expenditures						
Fund balance - Beginning of year	691,000	691,000	691,000		691,000	
Fund balance - Transfers out		(16,000)	(16,000)		(16,000)	
Fund balance - End of year	$ 691,000	$ 675,000	$ 675,000	$ 0	$ 675,000	$ 0
Fund balance - Reserved for grants and contracts			$ 675,000			

See Independent Auditor's Report.
See accompanying notes to budgetary comparison schedules.

Nicolet Area 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, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	$ 27,361	$ 27,361	$ 16,651	$ 0	$ 16,651	$ (10,710)
Other student fees	125,000	125,000	118,791		118,791	(6,209)
Federal revenues	2,376,194	3,001,194	3,054,386		3,054,386	53,192
Total revenues	2,528,555	3,153,555	3,189,828		3,189,828	36,273
Expenditures - Student services	2,542,659	3,167,659	3,160,188		3,160,188	7,471
Deficiency of revenues over expenditures	(14,104)	(14,104)	29,640		29,640	43,744
Fund balance - Beginning of year	199,669	199,669	199,669		199,669	
Fund balance at end of year	$ 185,565	$ 185,565	$ 229,309	$ 0	$ 229,309	$ 43,744
Fund balance - Reserved for student activities			$ 229,309			

See Independent Auditor's Report.
See accompanying notes to budgetary comparison schedules.

Nicolet Area 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, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
State revenues	$ 0	$ 0	$ 69,036	$ 0	$ 69,036	$ 69,036
Institutional revenues	5,050	5,050	11,932		11,932	6,882
Total revenues	5,050	5,050	80,968		80,968	75,918
Expenditures:						
Instruction	412,600	412,600	233,624		233,624	178,976
Instructional resources	42,810	42,810	30,690		30,690	12,120
Student services	19,480	19,480	19,474		19,474	6
General institutional	877,500	877,500	280,378		280,378	597,122
Physical plant	3,285,200	3,285,200	3,095,540		3,095,540	189,660
Total expenditures	4,637,590	4,637,590	3,659,706		3,659,706	977,884
Deficiency of revenues over expenditures	(4,632,540)	(4,632,540)	(3,578,738)		(3,578,738)	1,053,802
Fund balance - Beginning of year	12,525,896	12,525,896	12,525,896		12,525,896	
Fund balance - Transfers in		2,741,000	2,741,000		2,741,000	
Fund balance - End of year	$ 7,893,356	$ 10,634,356	$11,688,158	$ 0	$11,688,158	$ 1,053,802
Fund balance - Reserved for capital projects			$11,688,158			

See Independent Auditor's Report.
See accompanying notes to budgetary comparison schedules.

Nicolet Area 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, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	$ 362,500	$ 362,500	$ 362,500	$ 0	$ 362,500	$ 0
Institutional revenues	-	-	5,525		5,525	5,525
Total revenues	362,500	362,500	368,025		368,025	5,525
Expenditures - Physical plant	362,500	362,500	362,500		362,500	
Excess of revenues over expenditures			5,525		5,525	5,525
Fund balance - Beginning of year	4,253,468	4,253,468	4,253,468		4,253,468	
Fund balance - End of year	$ 4,253,468	$ 4,253,468	$ 4,258,993	$ 0	$ 4,258,993	$ 5,525
Fund balance - Reserved for debt service			$ 4,258,993			

See Independent Auditor's Report.
See accompanying notes to budgetary comparison schedules.

Nicolet Area 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, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Operating revenues:						
Local government	$ 168,893	$ 168,893	$ 207,188	$ 0	$ 207,188	$ 38,295
Institutional revenues	406,285	406,285	273,033		273,033	(133,252)
Total operating revenues	575,178	575,178	480,221		480,221	(94,957)
Operating expenses - Auxiliary services	575,178	575,178	480,873		480,873	94,305
Change in net position			(652)		(652)	(652)
Net position - Beginning of year	706,048	706,048	706,048		706,048	
Net position - End of year	$ 706,048	$ 706,048	$ 705,396	$ 0	$ 705,396	$ (652)
Net position - Unrestricted			$ 705,396			

See Independent Auditor's Report.

See accompanying notes to budgetary comparison schedules.

Nicolet Area 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 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 Oneida, Vilas, Lincoln, Forest, Iron, 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 10 days according to Wisconsin Statutes.

- 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.

Nicolet Area 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	$ 23,369,283
Special Revenue Aidable Fund	2,701,417
Special Revenue Non-Aidable Fund	3,189,828
Capital Projects Fund	80,968
Debt Service Fund	368,025
Enterprise Fund	480,221
	30,189,742
Adjustments:	
Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(821,839)
Proceeds from the sale of capital assets are included in revenues for budgetary purposes but offset expenses for GAAP reporting	(20,976)
Summer tuition recognized on the cash basis is adjusted to the accrual basis for GAAP reporting	(3,923)
Reconciled revenues	$ 29,343,004

Revenues per Statement of Revenues and Expenses on a GAAP basis:	
Operating revenues	$ 7,797,905
Property taxes	3,753,064
State operating appropriations	17,479,960
CARES Act funding	198,860
Capital grants and contributions	69,036
Investment income	44,179
Total	$ 29,343,004

Nicolet Area 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	$ 20,241,661
Special Revenue Aidable Fund	2,701,417
Special Revenue Non-Aidable Fund	3,160,188
Capital Projects Fund	3,659,706
Debt Service Fund	362,500
Enterprise Fund	480,873
	30,606,345
Adjustments:	
Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(821,839)
Cash basis expenditures adjusted to accrual basis for GAAP reporting:	
Summer school instructional wages	8,628
Amortization of bond premium	(8,367)
Interest expense	(1,625)
Special termination benefits	(22,378)
Postemployment benefits	(233,130)
Net WRS and LRLIF changes	(1,061,582)
The acquisition of capital assets is reported as an expenditures for budgetary purposes	(3,755,053)
Loss on disposal of capital assets	2,542
Repayment of principal on long-term debt is a budgetary expenditure	(325,000)
Student activity funds activity recorded for GAAP purposes	(3,990)
Depreciation recorded for GAAP purposes	1,879,706
Expenditures on a GAAP basis	$ 26,264,257
Expenses per the Statement of Revenues and Expenses on a GAAP basis:	
Operating expenses	$ 26,234,207
Loss on disposal of capital assets	2,542
Interest expense	27,508
Total	$ 26,264,257

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

Nicolet Area Technical College District

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Administering Agency Pass-Through Agency Award Description	Federal AL Number	Pass-Through Agency Number	Grant Period	Program or Award Amount	Grantor Expenditures	Local Share
U.S. Department of Agriculture						
USDA Rural Opportunity Grant	10.351	N/A	9/1/20-8/31/21	$ 35,000	$ 19,014	**$ 0**
U.S. Department of Education						
Direct Programs						
Student Financial Aid Cluster						
Federal Supplemental Education Opportunity Grants	84.007	POO7A214526	7/1/21-6/30/22	130,263	130,263	
Federal Direct Loan Program						
Federal Direct Student Loans	84.268	P268K212669	7/1/20-6/30/21	1,156,544	47,750	
Federal Direct Student Loans	84.268	P268K222669	7/1/21-6/30/22	1,051,787	839,053	
Total AL 84.268					**886,803**	
Federal Work Study Program						
Federal Work Study Program	84.033	P033A214526	7/1/21-6/30/22	21,148	21,148	**7,391**
Federal Pell Grant Program						
Pell Grant Administrative Allowance	84.063	P063Q202669	7/1/20-6/30/21	205	205	
Pell Grant Administrative Allowance	84.063	P063Q212669	7/1/21-6/30/22	2,180	2,180	
Federal Pell Grant Program	84.063	P063P202669	7/1/20-6/30/21	7,925	7,925	
Federal Pell Grant Program	84.063	P063P212669	7/1/21-6/30/22	1,591,593	1,570,460	
Total AL 84.063					**1,580,770**	
Total Student Financial Assistance Cluster					**2,618,984**	**7,391**
Pass-Through Programs						
Wisconsin Technical College System						
Adult Education - Basic Grants to States	84.002	16-150-146-122	7/1/21-6/30/22	86,790	86,790	**85,945**
Vocational Education - Basic Grants						
Equity and Inclusion	84.048	16-964-150-222	7/1/21-6/30/22	21,679	21,679	
Achieving Student Success	84.048	16-019-150-232	7/1/21-6/30/22	97,675	97,674	130,786
Nontraditional Occupations	84.048	16-023-150-262	7/1/21-6/30/22	6,144	6,144	
Strengthening Programs	84.048	16-543-150-252	7/1/21-6/30/22	24,578	24,578	
Career Prep	84.048	16-997-150-212	7/1/21-6/30/22	37,188	37,188	
Total AL 84.048					**187,263**	**130,786**
Educational Stabilization Fund						
COVID-19 CARES ACT - Higher Education Emergency Relief Fund - Student Aid Portion	84.425E	P425E201007	4/25/20-5/13/22	1,642,636	1,125,730	
COVID-19 CARES ACT - Higher Education Emergency Relief Fund - Institutional Portion	84.425F	P425F200559	5/4/20-5/19/22	2,286,542	859,619	
Total AL 84.425					**1,985,349**	
Total U.S. Department of Education					**4,878,386**	**224,122**
U.S. Department of Homeland Security						
Pass-Through Programs						
Wisconsin Technical College System						
FY22 FEMA Assistance to Firefighters Grant - COVID-19 Supplemental	97.044	16-503-153-112	12/1/21-11/30/22	35,572	30,745	4,610
Small Business Administration						
Community Navigator Pilot Program	59.077	SBAHQ22CNP0024	12/1/21-11/30/23	1,000,000	240,885	
TOTAL FEDERAL AWARDS					**$ 5,169,030**	**$ 228,732**

See Independent Auditor's Report.
See accompanying notes to schedules of expenditures of federal and state awards.

Nicolet Area Technical College District

Schedule of Expenditures of State Awards

Year Ended June 30, 2022

Administering Agency Pass-Through Agency Award Description	State I.D. Number	Pass-Through Agency Number	Grant Period	Program or Award Amount	Grantor Expenditures	Local Share
Wisconsin Higher Education Aids Board						
Direct Programs						
Wisconsin Higher Education Grants	235.102	N/A	7/1/21-6/30/22	$ 348,763	$ 348,763	$ 0
Remission of Fees for Veterans and Dependents	235.105	N/A	7/1/21-6/30/22	17,240	17,240	
Minority Undergraduate Retention Grant	235.107	N/A	7/1/21-6/30/22	2,375	2,375	
Academic Excellence Scholarship	235.109	N/A	7/1/21-6/30/22	1,750	1,750	1,750
Talent Incentive Program	235.114	N/A	7/1/21-6/30/22	3,450	3,450	3,500
Nursing Student Loan	235.117	N/A	7/1/21-6/30/22	9,000	9,000	
Technical Excellence Scholarship	235.119	N/A	7/1/21-6/30/22	5,623	5,623	5,623
Indian Student Assistance Grants	235.132	N/A	7/1/21-6/30/22	10,450	10,450	
Total Wisconsin Higher Education Aids Board					**398,651**	**10,873**
Wisconsin Technical College System						
Direct Programs						
Student Emergency Fund	292.104	16-933-104-112	7/1/21-6/30/22	17,423	**17,423**	
State Aids for Wisconsin Technical College System						
General State Aids	292.105	N/A	7/1/21-6/30/22		682,000	
Performance Based Aid	292.105	N/A	7/1/21-6/30/22		953,077	
General State Aid Adjustment - Prior Year	292.105	N/A	7/1/21-6/30/22		(41,700)	
Total 292.105					**1,593,377**	
Workforce Advancement Training Grant Program						
Direct Programs						
Instructional Transformation for the Workforce of the Future	292.124	16-924-124-182	7/1/21-6/30/22	150,000	118,455	
Ahlstrom-Munksjo	292.124	16-283-124-171	7/1/20-8/31/21	63,720	52,352	
Developing Markets	292.124	16-457-124-141	7/1/21-6/30/22	200,000	50,929	
Professional Growth	292.124	16-304-124-152	7/1/21-6/30/22	46,931	46,931	23,466
WIDS State Consortium	292.124	16-929-124-182	10/15/21-10/14/22	246,540	246,540	
Total 292.124					**515,207**	**23,466**
Fire Certification Training	292.136	N/A	7/1/21-6/30/22	1,654	1,654	
Fire Fighter Training 2%	292.137	N/A	7/1/21-6/30/22	21,893	21,893	
Property Tax Relief Aid	292.162	N/A	7/1/21-6/30/22	15,837,473	15,837,473	
Total Wisconsin Technical College System					**17,987,027**	**23,466**
Wisconsin Department of Transportation						
Direct Programs						
Motorcycle Training Grant	20.395(4)(aq)	N/A	7/1/21-6/30/22	25,468	**25,468**	
TOTAL STATE FINANCIAL ASSISTANCE					**$ 18,411,146**	**$ 34,339**

See Independent Auditor's Report.
See accompanying notes to schedules of expenditures of federal and state awards.

Nicolet Area Technical College District

Notes to Schedules of Expenditures of Federal and State Awards

Note 1: Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state award activity of the District under programs of the federal and state government for the year ended June 30, 2022. 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*, 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 Nicolet Area Technical College District.

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Negative amounts shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Subrecipient Awards

The District does not have subrecipients of its federal or state awards.

Nicolet Area 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	$	4,083,367
Nonoperating revenues - CARES Act funding		198,860
		4,282,227
Adjustments:		
Federal Direct Loan Program (AL #84.268)		886,803
Federal revenues per schedule of expenditures of federal awards	$	5,169,030
State:		
Revenues per statement of revenues, expenses, and changes in net position:		
Operating revenues - State grants	$	539,063
Nonoperating revenues - State operating appropriations		17,479,960
Capital grants - State		69,036
		18,088,059
Adjustments:		
Tuition payments for:		
Wisconsin Higher Education Grants (State ID# 235.102)		348,763
Indian Student Assistance Grants (State ID# 235.132)		10,450
Academic Excellence Scholarship (State ID# 235.109)		1,750
Minority Undergraduate Retention Grant (State ID# 235.107)		2,375
Talent Incentive Program (State ID# 235.114)		3,450
Nursing Student Loan (State ID# 235.117)		9,000
Technical Excellence Scholarship (State ID# 235.119)		5,623
Remission of Fees for Veterans & Dependents (State ID# 235.105)		17,240
Fire Certification Training (State ID# 292.136)		1,654
Firefighter Training 2% (State ID# 292.137)		21,893
Wisconsin Economic Development Corporation		(50,000)
Personal Property Aid		(16,768)
Payments in Lieu of Taxes		(28,621)
Aid in Lieu Computer Taxes		(3,722)
State revenues per schedule of expenditures of state awards	$	18,411,146

Other Reports

WIPFLI

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

District Board
Nicolet Area Technical College District
Rhinelander, WI

We have audited, in accordance with auditing standards generally accepted in the United States of America 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 the business-type activities of Nicolet Area Technical College District, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Nicolet Area Technical College District's basic financial statements, and have issued our report thereon dated December 12, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Nicolet Area Technical College District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Nicolet Area Technical College District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Nicolet Area Technical College District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of the Nicolet Area Technical College District’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Wipfli LLP

Wipfli LLP

Eau Claire, Wisconsin
December 12, 2022

WIPFLI

Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Guidelines

District Board
Nicolet Area Technical College District
Rhinelander, WI

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Nicolet Area Technical College District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of its major federal or state programs for the year ended June 30, 2022. Nicolet Area Technical College District's major federal or state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Nicolet Area Technical College 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, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Nicolet Area Technical College District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Nicolet Area Technical College District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Nicolet Area Technical College District’s federal or state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Nicolet Area Technical College District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Nicolet Area Technical College District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards, State Single Audit Guidelines* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Nicolet Area Technical College District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Nicolet Area Technical College District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Nicolet Area Technical College District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over-compliance. Accordingly, no such opinion is expressed.

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

Wipfli LLP

Wipfli LLP

Eau Claire, Wisconsin
December 12, 2022

Nicolet Area Technical College District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

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 Uniform Guidance [2CFR 200.516(a)]?	No

Identification of major federal programs:

AL Number	Name of Federal Program or Cluster
	Education Stabilization Fund:
84.425E	COVID 19 CARES ACT - Higher Education Emergency Relief Fund - Student Aid Portion
84.425F	COVID 19 CARES ACT - Higher Education Emergency Relief Fund - Institutional Portion

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

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:

State ID Number	Name of State Program
292.105	State Aids for Wisconsin Technical College System
292.162	Property Tax Relief Aid

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

None

Nicolet Area Technical College District

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section IV - Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?	No
Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenues or excess reserves) related to grants/contracts with funding agencies that require audits to be in accordance with *State of Wisconsin Single Audit Guidelines:*	
Wisconsin Technical College System	No
Wisconsin Higher Education Aids Board	No
Wisconsin Department of Transportation	No
Was a Management Letter or other document conveying audit comments issued as a result of this audit?	Yes

	Robert T. Ganschow
Name and signature of partner	Rob Ganschow, CPA, CFE
Date of report	December 12, 2022

Nicolet Area Technical College District

Schedule of Prior Audit Findings

Year Ended June 30, 2022

Financial Statement Findings

None

Federal and State Awards Findings and Questioned Costs

None