

Nicolet College

Financial Statements and Supplementary Financial Information

Years Ended June 30, 2025 and 2024



Nicolet Area Technical College District

Financial Statements and Supplementary Financial Information

Years Ended June 30, 2025 and 2024

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Independent Auditor's Report

District Board
Nicolet Area Technical College District
Rhineland, WI

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities the Nicolet Area Technical College District (the "District"), as of and for the years ended June 30, 2025 and 2024, 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 the Nicolet Area Technical College District as of June 30, 2025 and 2024, 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 Opinions

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 opinions.

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 the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not

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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 opinions on the financial statements that collectively comprise the 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 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 audits 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 January 2, 2026 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

Eau Claire, Wisconsin

January 2, 2026

Nicolet Area Technical College District

Management's Discussion and Analysis

June 30, 2025 and 2024

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, 2025 and 2024.

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:

	2025	Increase (Decrease) %	Restated 2024	Increase (Decrease) %	Restated 2023
Operating revenues	\$ 5,371,015	-15.9%	\$ 6,387,009	5.2%	\$ 6,072,163
Operating expenses	\$ (29,269,347)	0.9%	\$ (29,008,896)	3.5%	(28,034,901)
Nonoperating revenues - Net	\$ 23,048,759	-0.3%	\$ 23,123,837	4.4%	22,156,701
Increase (decrease) in net position	\$ (849,574)	-269.3%	\$ 501,950	129.8%	218,402
Net position at beginning of year	\$ 57,061,122		\$ 56,559,172		56,340,770
Net position at end of year	\$ 56,211,548		\$ 57,061,122		\$ 56,559,172

Nicolet Area Technical College District

Management's Discussion and Analysis

June 30, 2025 and 2024

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

Fiscal Year 2025 Compared to 2024

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

- Operating revenues are the charges for services offered by the District. During 2025, the District generated roughly \$5.3 million of operating revenues for services rendered. This is a decrease of \$1m or 15.9% from prior year. Significant items and revenue sources are as follows:
 - Federal grant revenue decreased \$235,811 (10%).
 - State grant revenue decreased \$269,036 (25%).
 - Business and industry contracts revenue decreased \$204,375 (48%)
- Operating expenses are costs related to offering the programs of the District.

Total costs related to doing business increased \$260,451 or 1%. Salaries and wages remained stable from year to year and fringe benefits increased \$724,191 or 12%. Salaries and fringe benefits equal 70% of the total costs. The increase in fringe benefits can be attributed to the District's OPEB liability of \$2.6 million in the previous year and increasing to a net liability of \$3.5 million in the current year.

Supplies and minor equipment decreased \$739,277 or (3%). The fiscal year 2024 budget reflected a year of internal investment and repair of infrastructure and equipment - much of which falls into the category of supplies and minor equipment.

Repairs and maintenance increased \$345,112 or 111%

Contracted services decreased \$312,675 or 15%

Depreciation and Amortization increased \$394,102 or 17% and is mostly due to the Subscription based technology agreements.

- Net nonoperating revenues (expenses) are revenues and expenses not related directly to providing instruction. Net nonoperating revenues decreased \$75,078 which is shy of a 1% change. The most important components of these revenues and expenses are:
 - Property tax revenues increased \$213,569 or 6% due to the increase in Equalized Value of the College's District. The Equalized Value increased by 9.5% from the prior year.

Nicolet Area Technical College District

Management's Discussion and Analysis

June 30, 2025 and 2024

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

Fiscal Year 2025 Compared to 2024 (Continued)

- Interest expense increased 134,043 or 744% due to the recording of Subscription based internet agreements.
- Investment income decreased \$117,041 or (9%) due to a change in banking institution interest rates.
- Net position at June 30, 2025, decreased \$849,574 as a result of the changes mentioned above.

Fiscal Year 2024 Compared to 2023

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

- Operating revenues are the charges for services offered by the District. During 2024, the District generated roughly \$6.4 million of operating revenues for services rendered. This is an increase of \$314,846 or 5.2% from prior year. Significant items and revenue sources are as follows:
 - Student program fees net of scholarships decreased \$195,895 (9.6%).
 - Federal grant revenue increased \$62,263 (2.8%).
 - State grant revenue increased \$202,756 (23%).
 - Business and industry contracts performed better than budgeted resulting in a revenue increase of \$84,700 (24.7%).
 - Enterprise revenue - specifically the bookstore - increased \$61,270 (26%).
 - Other revenues increased \$76,024 (52.5%).
- Operating expenses are costs related to offering the programs of the District.

Total costs related to doing business increased \$973,995 or 3.47%. Salaries and wages increased \$548,078 or 4.14% and fringe benefits decreased \$907,055 or 13.1%. Salaries and fringe benefits equal 68.28% of the total costs. The increase in salaries and wages can be attributed to efforts to ensure competitive compensation packages as a result of a recent wage study. The large decrease in fringe benefits can be attributed to the District's proportionate share of the Wisconsin Retirement System pension plan going from a net liability of \$3.6 million in the previous year to a net liability of \$0.94 million in the current year.

Supplies and minor equipment increased \$1,302,550 or 226.1%. The fiscal year 2024 budget reflected a year of internal investment and repair of infrastructure and equipment - much of which falls into the category of supplies and minor equipment.

- Net nonoperating revenues (expenses) are revenues and expenses not related directly to providing instruction. Net nonoperating revenues increased \$967,136 or 4.4%. The most important components of these revenues and expenses are:
 - Property tax revenues increased \$265,455 or 7.6% due to the decrease in the debt service levy and additional property tax relief aid received from the state.

Nicolet Area Technical College District

Management's Discussion and Analysis

June 30, 2025 and 2024

Statements of Revenues, Expenses, and Changes in Net Position (Continued) Fiscal Year 2024 Compared to 2023 (Continued)

- State operating appropriations increased \$110,569 or 0.6% due to the additional property tax relief aids paid to the District.
- Investment income increased \$730,440 due to a change in the District's cash management philosophy as well as banking institution interest rates.
- Net position at June 30, 2024, increased \$501,950 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:

	2025	Increase (Decrease) %	Restated 2024	Increase (Decrease) %	Restated 2023
Net cash from operating activities	\$ (21,739,262)	8.7%	\$ (19,995,016)	4.7%	\$(19,091,103)
Net cash from noncapital financing activities	21,931,428	1.3%	21,659,068	0.0%	21,666,433
Net cash from capital and related financing activities	(1,744,890)	-32.6%	(2,590,189)	-36.7%	(4,092,295)
Cash flows from investing activities	1,207,913	-8.8%	1,324,954	122.9%	594,514
Net increase (decrease) in cash and cash equivalents	\$ (344,811)		\$ 398,817		\$ (922,451)

Fiscal Year 2025 Compared to 2024

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. This cash outflow increased \$876,131 or 7%.
- Another significant component of cash used in operating activities was payments to suppliers for goods and services. This cash outflow decreased \$321,486 or (3%).
- State and federal grants received decreased \$756,086 or (22%).
- All property taxes received, \$3.9 million this year, are categorized as cash flows from noncapital financing activities (\$3.6 million in 2024). Property tax collections increased \$278,334 or 8%. This is a direct result of the District's Equalized Value increasing approximately 9.5% from the prior year. The other major item in this category is state appropriations, which accounted for approximately \$18.0 million of positive cash flow.

Nicolet Area Technical College District

Management's Discussion and Analysis

June 30, 2025 and 2024

Statements Cash Flows (Continued)

Fiscal Year 2025 Compared to 2024 (Continued)

- 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 decreased \$1,521,863 and principal paid on capital debt increased \$2,654
- Overall, the District's cash decreased \$344,811 for the current fiscal period.

Fiscal Year 2024 Compared to 2023

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 \$801,243 or 5.8%.
- Another significant component of cash used in operating activities was payments to suppliers for goods and services. This cash outflow increased \$2,735,264 or 27.68%.
- State and federal grants received increased \$615,885 or 22.1%.
- All property taxes received, \$3.6 million this year, are categorized as cash flows from noncapital financing activities (\$3.6 million in 2023 and \$4.2 million in 2022). Property tax collections increased \$52,720 or 1.5%. 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 \$18.0 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 decreased \$1,545,293 and principal paid on capital debt increased \$55,482.
- Overall, the District's cash increased \$398,817 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.

Nicolet Area Technical College District

Management's Discussion and Analysis

June 30, 2025 and 2024

Statements of Net Position (Continued)

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

	2025	Increase (Decrease)%	Restated 2024	Increase (Decrease) %	Restated 2023
Assets:					
Cash and cash equivalents	\$ 29,387,129	-1.2%	\$ 29,731,941	1.4%	\$ 29,333,124
Net capital assets	32,611,828	13.4%	28,762,620	-0.9%	29,023,209
Other assets	3,670,230	31.1%	2,799,919	15.2%	2,431,023
Total assets	65,669,187	7.1%	61,294,480	0.8%	60,787,356
Deferred outflows of resources	7,253,270	-19.5%	9,011,434	-36.6%	14,217,888
Liabilities:					
Other liabilities	1,269,935	4.1%	1,219,406	55.1%	786,310
Long-term liabilities	11,728,520	90.6%	6,153,405	-33.4%	9,233,833
Total liabilities	12,998,455	76.3%	7,372,811	-26.4%	10,020,143
Deferred inflows of resources	3,712,454	-36.8%	5,871,981	-30.3%	8,425,929
Net position:					
Net investment in capital assets	27,345,166	-2.0%	27,897,225	0.7%	27,702,385
Restricted for debt service	4,873,074	4.9%	4,647,566	5.2%	4,419,599
Restricted for student activities	98,582	13.4%	86,970	-8.5%	95,002
Unrestricted	23,894,726	(0)	24,429,361	0.4%	24,342,186
Total net position	\$ 56,211,548	-1.5%	\$ 57,061,122	0.9%	\$ 56,559,172

Fiscal Year 2025 Compared to 2024

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 decreased (1%). Current cash and cash equivalents decreased \$347,543 and the restricted total increased \$2,731.
 - Net capital assets totaled \$27,345,166. Capital assets were \$59,585,909 less \$31,019,685 of accumulated depreciation and amortization. Net capital assets decreased \$552,059 or (2%).
 - Other assets include property tax receivables which increased \$67,610 or 6%, accounts and other receivables increased \$303,512 or 27%, inventory decreased \$17,862 or (17%) and prepaid expenses increased \$517,050 or 109%.

Nicolet Area Technical College District

Management's Discussion and Analysis

June 30, 2025 and 2024

Statements of Net Position (Continued)

Fiscal Year 2025 Compared to 2024 (Continued)

- Liabilities
 - Liabilities are broken down into current and noncurrent liabilities.
 - Total liabilities increased \$5.6m or 76% for the fiscal year. The increase was mainly due to the SBITA liability of over \$4m.
- Net Position
 - Net position decreased \$849,574 or (-1.0%).
 - Net Investment in capital assets decreased \$552,059 or (-2%).
 - Restricted debt service increased \$225,508 or 5%.
 - Restricted for student activities increased by \$11,612 or 13%.
 - Unrestricted net position of \$23.8m decreased by \$534,635 or (2%).

Fiscal Year 2024 Compared to 2023

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 1.4%. Current cash and cash equivalents increased \$395,846 and the restricted total increased \$2,971.
 - Net capital assets totaled \$28,762,620. Capital assets were \$59,942,681 less \$31,180,061 of accumulated depreciation and amortization. Net capital assets decreased \$260,589 or 0.9%.
 - Other assets include property tax receivables which increased \$132,375 or 13.5%, accounts and other receivables decreased \$41,090 or 3.6%, inventory increased \$3,014 or 2.9% and prepaid expenses increased \$274,597 or 137.5%.
- Liabilities
 - Total liabilities decreased \$2,647,332 or 26% for the fiscal year. The decrease was mainly due to the District's proportionate share of the Wisconsin Retirement System Pension Plan liability of \$3.6 million last year reducing to a liability of \$0.94 million in 2024.
 - Other liabilities are a result of timing as to when the District incurs and pays its liabilities. Other liabilities totaled \$1,219,406, an increase of \$433,096 or 55.1%.
 - Long-term liabilities decreased \$3,080,428 or 33%. Notes payable (including unamortized premium) decreased \$408,367 or 33.5%.
- Net Position
 - Net position increased \$501,950 or 1.0%.

Nicolet Area Technical College District

Management's Discussion and Analysis

June 30, 2025 and 2024

Statements of Net Position (Continued)

Fiscal Year 2024 Compared to 2023 (Continued)

- Net Investment in capital assets increased \$194,840 or 0.7%.
- Restricted for pension benefits decreased \$0.
- Restricted for debt service increased \$227,967 or 5.2%.
- Restricted for student activities decreased by \$8,031 or 8.5%.
- Unrestricted net position of \$24,429,361 increased by \$87,175 or 0.36%.

Financial Position

Fiscal Year 2025 Compared to 2024

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

- Net position decreased \$849,974 or (1.0%).
- During 2025, the District generated roughly \$5.3 million of operating revenues for services rendered. This is a decrease of \$1m or (16%) from prior year.
- Large increase to net capital assets and liabilities are due to the SBITA - GASB 96 change

Fiscal Year 2024 Compared to 2023

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

- Net position increase 1.0% to \$57,061,122.
- Cash and investments increased 1.4% to \$29,731,941.
- Non-current obligations of the District decreased 48% to \$6,153,405. This was mainly due to the District's proportionate share of the Wisconsin Retirement System Pension Plan liability of \$3.6 million last year reducing to a liability of \$0.94 million in 2024.

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.

Nicolet Area Technical College District

Management's Discussion and Analysis

June 30, 2025 and 2024

Economic Factors (Continued)

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, 2025 and 2024

<i>Assets and Deferred Outflows of Resources</i>	2025	Restated 2024
Current assets:		
Cash and cash equivalents	\$ 29,326,632	\$ 29,674,175
Property taxes receivable	1,179,418	1,111,808
Accounts and other receivables, net	1,411,651	1,108,139
Inventories	87,749	105,611
Prepaid expenses	991,411	474,361
Total current assets	32,996,862	32,474,094
Noncurrent assets:		
Restricted cash and cash equivalents	60,497	57,766
Capital assets:		
Capital assets not being depreciated	239,604	214,500
Capital assets being depreciated	59,585,909	58,984,241
Less - Accumulated depreciation	(32,973,066)	(31,019,685)
Subscription right of use assets	6,298,718	601,314
Less - Accumulated amortization	(543,299)	(69,254)
Lease right of use assets	142,626	142,626
Less - Accumulated amortization	(138,664)	(91,122)
Total noncurrent assets	32,672,325	28,820,386
Total assets	65,669,187	61,294,480
Deferred outflows of resources:		
Related to pensions - WRS	5,337,099	7,956,504
Related to OPEB - District OPEB plan	1,638,673	646,293
Related to OPEB - LRLIF	277,498	408,637
Total deferred outflows of resources	7,253,270	9,011,434
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 72,922,457	\$ 70,305,914

Nicolet Area Technical College District

Statements of Net Position (Continued)

June 30, 2025 and 2024

<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	2025	Restated 2024
Current liabilities:		
Accounts payable	\$ 443,878	\$ 438,776
Accrued liabilities:		
Payroll, payroll taxes, and insurance	632,381	619,872
Interest	5,111	4,000
Unearned revenue	188,565	156,758
Current portion of long-term obligations	1,836,752	467,008
Total current liabilities	3,106,687	1,686,414
Noncurrent liabilities:		
Notes payable	3,044	411,411
Compensated absences	255,921	488,062
Lease Liabilities	-	4,268
Subscription Based Information Technology Arrangements	4,073,685	-
Net pension liability - WRS	982,052	941,775
Total OPEB liability - District OPEB plan	3,537,321	2,604,179
Net OPEB liability - LRLIF	1,001,432	1,184,765
Special termination benefits	38,313	51,937
Total noncurrent liabilities	9,891,768	5,686,397
Total liabilities	12,998,455	7,372,811
Deferred inflows of resources:		
Related to pensions - WRS	2,865,864	5,031,041
Related to OPEB - District OPEB plan	69,543	124,912
Related to OPEB - LRLIF	777,047	716,028
Total deferred inflows of resources	3,712,454	5,871,981
Net position:		
Net investment in capital assets	27,345,166	27,897,225
Restricted for debt service	4,873,074	4,647,566
Restricted for student activities	98,582	86,970
Unrestricted	23,894,726	24,429,361
Total net position	56,211,548	57,061,122
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 72,922,457	\$ 70,305,914

See accompanying notes to financial statements.

Nicolet Area Technical College District

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2025 and 2024

	2025	Restated 2024
Operating revenues:		
Student program fees, net of scholarship allowances of \$694,456 and \$568,671, respectively	\$ 1,685,823	\$ 1,840,960
Student material fees, net of scholarship allowances of \$32,086 and \$23,379, respectively	96,831	105,429
Other student fees, net of scholarship allowances of \$26,762 and \$23,070, respectively	103,383	123,679
Federal grants	2,043,970	2,279,781
State grants	816,277	1,085,313
Business and industry contract revenues	223,213	427,588
Auxiliary enterprise revenues	255,542	303,282
Miscellaneous	145,976	220,977
Total operating revenues	5,371,015	6,387,009
Operating expenses:		
Instruction	12,159,628	12,288,033
Instructional resources	1,342,106	1,592,230
Student services	3,271,113	3,181,301
General institutional	6,694,139	6,248,066
Physical plant	1,882,884	2,065,928
Auxiliary enterprise services	359,421	376,866
Depreciation and amortization	2,689,528	2,296,546
Student aid	870,529	959,926
Total operating expenses	29,269,347	29,008,896
Operating loss	(23,898,332)	(22,621,887)
Nonoperating revenues (expenses):		
Property taxes	3,961,898	3,748,329
State operating appropriations	18,037,140	18,041,977
CARES Act funding	-	1,137
Gain (loss) on disposal of capital assets	(6,132)	25,457
Investment income	1,207,913	1,324,954
Interest expense	(152,060)	(18,017)
Net nonoperating revenues (expenses)	23,048,759	23,123,837
Income (loss) before capital grants and contributions	(849,574)	501,950
Change in net position	(849,574)	501,950
Net position at beginning of year, as restated	57,061,122	56,559,172
Net position at end of year	\$ 56,211,548	\$ 57,061,122

See accompanying notes to financial statements.

Nicolet Area Technical College District

Statements of Cash Flows

Years Ended June 30, 2025 and 2024

	2025	Restated 2024
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Tuition and fees received	\$ 961,954	\$ 1,125,937
Federal and state grants received	2,644,173	3,400,259
Business, industry, and school district contract revenues received	225,618	356,936
Payments to employees	(13,780,462)	(12,904,331)
Payments to suppliers	(12,187,580)	(12,509,066)
Auxiliary enterprise revenues received	253,487	302,526
Other receipts	143,548	232,723
Net cash from operating activities	(21,739,262)	(19,995,016)
Cash flows from noncapital financing activities:		
Local property taxes received	3,894,288	3,615,954
State appropriations received	18,037,140	18,041,977
CARES Act funding received	-	1,137
Net cash from noncapital financing activities	21,931,428	21,659,068
Cash flows from capital and related financing activities:		
Proceeds from the sale of capital assets	26,195	34,250
Purchases of capital assets	(627,131)	(2,148,994)
Subscription payments	(534,922)	-
Principal paid on capital debt	(449,716)	(447,062)
Interest paid on capital debt	(159,316)	(28,383)
Net cash from capital and related financing activities	(1,744,890)	(2,590,189)
Cash flows from investing activities - Investment income received	1,207,913	1,324,954
Net increase (decrease) in cash and cash equivalents	(344,811)	398,817
Cash and cash equivalents at beginning of year	29,731,941	29,333,124
Cash and cash equivalents at end of year	\$ 29,387,130	\$ 29,731,941
Reconciliation of ending cash to the statement of net position:		
Cash and cash equivalents	\$ 29,326,632	\$ 29,674,175
Restricted cash and cash equivalents	60,497	57,766
Cash and cash equivalents at end of year	\$ 29,387,129	\$ 29,731,941

Nicolet Area Technical College District

Statements of Cash Flows (Continued)

Years Ended June 30, 2025 and 2024

	2025	Restated 2024
Reconciliation of operating loss to net cash from operating activities:		
Operating loss	\$ (23,898,332)	\$ (22,621,887)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	2,689,528	2,296,546
Changes in assets and liabilities:		
Accounts and other receivables	(303,513)	41,090
Inventories	17,862	(3,014)
Prepaid expenses	(517,050)	(274,597)
Accounts payable	(143,474)	4,306
Accrued expenses	12,509	882,769
Unearned revenue	31,807	(49,793)
Net pension changes (including deferred outflows and inflows)	494,505	(153,896)
Postemployment benefit changes (including deferred outflows and inflows)	(123,104)	(116,540)
Total adjustments	2,159,071	2,626,871
Net cash from operating activities	\$ (21,739,262)	\$ (19,995,016)
Noncash capital and related financing activities:		
Capital asset additions in accounts payable	\$ 148,576	\$ -
Subscription assets acquired under SBITA	5,394,271	-

See accompanying notes to financial statements.

Nicolet Area Technical College District

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.

Nicolet Area Technical College District

Notes to Financial Statements

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.

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.

Nicolet Area Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Receivables

All accounts receivable are reported net of any anticipated losses due to uncollectible accounts. The collectability 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, 2025 and 2024.

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

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.

Nicolet Area Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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

Paid Time Off - District employees are granted paid time off in varying amounts, based on length of service. Employees may carry over up to ten days to use in the following calendar year. Any balance beyond ten days will be forfeited. Employees leaving the District for any reason are entitled to payment for all earned paid time off with proper resignation/retirement notice. Unearned paid time off that has been used will be deducted from an employee's final pay. Liabilities for paid time off and salary related payments, including social security taxes, are recorded when incurred.

Sick Leave – Employees can convert up to ten days of PTO to sick leave. Requests for conversion occur once on an annual basis. Employees leaving the District on not entitled to payment of sick leave. Liabilities for sick time and salary related payments, including social security taxes, are recorded when incurred.

Wisconsin Retirement System (WRS) Pension - The fiduciary net position of the WRS has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net pension liability (asset)
- Deferred outflows of resources and deferred inflows of resources related to pensions
- Pension expense (revenue)

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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 Local Retiree Life Insurance Fund (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 following:

- Net OPEB liability
- Deferred outflows of resources and deferred inflows of resources related to OPEB
- OPEB expense (revenue)

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.

Nicolet Area Technical College District

Notes to Financial Statements

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, 2025 and 2024, the District levied at the following mill rate:

	2025		2024
Operating purposes	\$ 0.12031	\$	0.12348
Debt service requirements	0.01411		0.01576
Totals	\$ 0.13442	\$	0.13924

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.

Nicolet Area Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 granter to be used exclusively for capital programs. Nonoperating expenses include interest on long-term obligation and losses on the disposal of capital assets.

Nicolet Area Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the 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.

Subscription Based Information Technology Arrangements

The District is a party to multiple noncancelable subscription based information technology arrangements (SBITAs). If the contract provides the District the right to use the present service capacity and the right to direct the use of the identified asset, it is considered to be or contain a SBITA. Subscription-based assets and liabilities are recognized at the agreement commencement date based on the present value of the future payments over the expected contract term. The SBITA asset is also adjusted for any prepayments made and capitalizable initial implementation costs as incurred.

The SBITA liability is initially and subsequently recognized based on the present value of its future payments. Variable payments are included in the present value when the underlying rate or index is fixed and predictable for the life of the lease. Variable costs that depend on an unpredictable index are accounted for as expenses as they are incurred. Increases (decreases) to variable payments due to subsequent changes in an index or rate are recorded as an adjustment to expense in the period in which they are incurred.

The discount rate used is the implicit rate in the SBITA contract, if it is readily determinable, or the District's incremental borrowing rate.

For all underlying classes of assets, the District does not recognize SBITA assets and liabilities for short-term agreements that have a contract term of 12 months or less at contract commencement. Contracts containing termination clauses in which either party may terminate without cause and the notice period is less than 12 months are deemed short-term agreements with costs included in expense.

Nicolet Area Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Recently Adopted Accounting Pronouncement

Effective July 1, 2024, the District implemented **GASB Statement No. 101, *Compensated Absences***, which establishes new guidance for the recognition and measurement of liabilities for compensated absences and supersedes GASB Statement No. 16.

Accounting Policy

Compensated absences represent leave earned by employees for which the District has an obligation to provide paid time off or cash payments upon separation or retirement. Under GASB 101, the District recognizes a liability for compensated absences when the leave is earned, attributable to past service, and more likely than not to be used or paid out.

The compensated absences liability includes:

- Vacation leave and other leave balances that are expected to be used or paid
- Leave that is earned but not yet taken and is not contingent upon future service

The liability is measured at the employee's current pay rate plus applicable salary-related payments.

Types of Leave

The District's compensated absences liability primarily consists of:

- Paid Time Off, which is earned and may be carried forward subject to policy limits.
- Sick leave, to the extent it is expected to be used

Financial Statement Presentation

Compensated absences are reported as a liability in the Statement of Net Position. The portion expected to be paid within one year is reported as a current liability, with the remainder reported as a long-term liability. Changes in the liability are reported in the Statement of Revenues, Expenses, and Changes in Net Position.

Note 2: Cash and Investments

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

	2025	2024
WISC Investment Series	\$ 60,497	\$ 57,766
Cash deposits with financial institutions carrying amount	29,322,671	29,668,431
Petty cash	3,961	5,744
Total cash and cash equivalents	\$ 29,387,129	\$ 29,731,941

Cash and cash equivalents are classified on June 30:

	2025	2024
Restricted - Capital projects	\$ 60,497	\$ 57,766
Unrestricted	29,326,632	29,674,175
Total cash and cash equivalents	\$ 29,387,129	\$ 29,731,941

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, 2025, \$28,134,299 of the District's bank balance of \$29,634,299 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.

Nicolet Area Technical College District

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

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, 2025 and 2024, 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:

	2025	2024
Intergovernmental	\$ 721,903	\$ 505,829
Contracted services	69,672	204,077
Student receivable	619,062	493,233
Allowance for uncollectible amounts	(99,000)	(95,000)
Other	100,014	-
Totals	\$ 1,411,651	\$ 1,108,139

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 6/30/2024	Increases	Decreases	Balance 6/30/2025
Capital assets not being depreciated:				
Land	\$ 214,500	\$ -	\$ -	\$ 214,500
Construction in progress	-	25,104	-	25,104
Total capital assets not being depreciated	214,500	25,104	-	239,604
Capital assets being depreciated:				
Site improvements	1,698,895	6,900	-	1,705,795
Buildings	18,386,004	65,264	-	18,451,268
Building improvements	21,677,003	129,993	-	21,806,996
Furniture and equipment	17,222,339	569,818	170,307	17,621,850
Total capital assets being depreciated	58,984,241	771,974	170,307	59,585,909
Less accumulated depreciation for:				
Site improvements	793,395	64,876	-	858,271
Buildings	8,729,327	390,894	-	9,120,221
Building improvements	7,153,750	714,798	-	7,868,548
Furniture and equipment	14,343,213	946,989	164,175	15,126,027
Total accumulated depreciation	31,019,685	2,117,556	164,175	32,973,066
Total capital assets being depreciated, net of accumulated depreciation	27,964,556	(1,345,582)	6,132	26,612,842
Subscription right of use asset, not being amortized	525,501	-	525,501	-
Right of use assets being amortized				
Subscription ROU asset	75,813	6,274,410	51,505	6,298,718
Lease ROU assets	142,626	-	-	142,626
Total right of use assets being amortized	218,439	6,274,410	51,505	6,441,344
Accumulated amortization:				
Subscription ROU asset	69,254	525,550	51,505	543,299
Lease ROU assets	91,122	47,542	-	138,664
Total accumulated amortization	160,376	573,092	51,505	681,963
Total right of use assets, being amortized, net	58,063	5,701,318	-	5,759,381
Net capital assets	28,762,620	\$ 4,380,840	\$ 531,633	32,611,828
Less outstanding debt related to capital assets	(811,411)			(403,044)
Less lease obligations	(53,984)			(4,269)
SBITA obligations	-			(4,859,349)
Net investment in capital assets	\$ 27,897,225			\$ 27,345,166

Nicolet Area Technical College District

Notes to Financial Statements

Note 4: Capital Assets (Continued)

	Balance 7/1/2023	Increases	Decreases	Balance 6/30/2024
Capital assets not being depreciated:				
Land	\$ 214,500	\$ -	\$ -	\$ 214,500
Construction in progress	2,919,394	-	2,919,394	-
Total capital assets not being depreciated	3,133,894	-	2,919,394	214,500
Capital assets being depreciated:				
Site improvements	1,698,895	-	-	1,698,895
Buildings	14,699,833	3,686,171	-	18,386,004
Building improvements	21,483,244	193,759	-	21,677,003
Furniture and equipment	16,738,810	558,713	75,184	17,222,339
Total capital assets being depreciated	54,620,782	4,438,643	75,184	58,984,241
Less accumulated depreciation for:				
Site improvements	728,692	64,703	-	793,395
Buildings	8,434,575	294,752	-	8,729,327
Building improvements	6,451,406	702,344	-	7,153,750
Furniture and equipment	13,240,437	1,169,167	66,391	14,343,213
Total accumulated depreciation	28,855,110	2,230,966	66,391	31,019,685
Total capital assets being depreciated, net of accumulated depreciation	25,765,672	2,207,677	8,793	27,964,556
Subscription right of use asset, not being amortized	-	525,501	-	525,501
Right of use assets being amortized				
Subscription ROU asset	75,813	-	-	75,813
Lease ROU assets	142,626	-	-	142,626
Total right of use assets being amortized	218,439	-	-	218,439
Accumulated amortization:				
Subscription ROU asset	51,216	18,038	-	69,254
Lease ROU assets	43,580	47,542	-	91,122
Total accumulated amortization	94,796	65,580	-	160,376
Total right of use assets, being amortized, net	123,643	(65,580)	-	58,063
Net capital assets	29,023,209	\$ 2,667,598	\$ 2,928,187	28,762,620
Less outstanding debt related to capital assets	(1,219,778)			(811,411)
Less lease obligations	(101,046)			(53,984)
Net investment in capital assets	\$ 27,702,385			\$ 27,897,225

Nicolet Area Technical College District

Notes to Financial Statements

Note 5: Long-Term Obligations

General Obligation Notes

The District has several issues of general obligation notes outstanding at June 30, 2025 and 2024, totaling \$400,000 and \$800,000, 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, 2025 and 2024, was as follows:

	Balance 7/1/2024	Additions	Reductions	Balance 6/30/2025	Amounts Due Within One Year
General obligation notes	\$ 800,000	\$ -	\$ 400,000	\$ 400,000	\$ 400,000
Premium on general obligation notes	11,411	-	8,367	3,044	-
Compensated absences	488,062	844,224	443,138	889,148	633,227
Special termination benefits	69,229	-	17,323	51,906	13,593
SBITA	-	5,394,271	534,922	4,859,349	785,664
Lease obligations	53,984	-	49,716	4,268	4,268
Totals	\$ 1,422,686	\$ 6,238,495	\$ 1,453,466	\$ 6,207,715	\$ 1,836,752

	Restated Balance 7/1/2023	Restated Additions	Reductions	Restated Balance 6/30/2024	Amounts Due Within One Year
General obligation notes	\$ 1,200,000	\$ -	\$ 400,000	\$ 800,000	\$ 400,000
Premium on general obligation notes	19,778	-	8,367	11,411	-
Compensated absences	190,120	842,974	545,032	488,062	-
Special termination benefits	96,702	-	27,473	69,229	17,291
Lease obligations	101,046	-	47,062	53,984	49,717
Totals	\$ 1,607,646	\$ 842,974	\$ 1,027,934	\$ 1,422,686	\$ 467,008

General Obligation Debt

	Rates %		Date of Maturity	Balance 6/30/2025	Balance 6/30/2024
General obligation notes	5/2/2016	1.00%-2.00%	4/1/2026	\$ 200,000	\$ 400,000
General obligation notes	6/30/2016	1.00%-2.00%	4/1/2026	200,000	400,000
Total general obligation debt				\$ 400,000	\$ 800,000

Nicolet Area Technical College District

Notes to Financial Statements

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, 2025, follows:

Year Ended June 30	Principal	Interest	Totals
2026	\$ 400,000	\$ 8,000	\$ 408,000
Totals	\$ 400,000	\$ 8,000	\$ 408,000

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, 2024, are calculated as follows:

Legal debt limit (5% of \$29,621,820,927)	\$ 1,481,091,046
Deduct - Long-term debt applicable to debt margin	(400,000)
Restricted net position available for debt service	4,871,074
Margin of indebtedness	\$ 1,485,562,120

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 \$592,436,419 at June 30, 2025, and the District's outstanding bonded indebtedness (net of resources to pay principal and interest) was \$0.

Note 6: Leases and Subscription Based Information Technology Arrangements (SBITA)

District as Lessee

The terms and expiration dates of the District's leases payable at June 30, 2025, follow:

- Printer and Copier lease with EO Johnson ending 7/31/2025 with monthly payments of \$4,287 and discounted and 5.5% at beginning

Future minimum lease payments as of June 30, 2025, are:

	Leases		
	Principal	Interest	Total
2026	\$ 4,268	\$ 20	\$ 4,288
Totals	\$ 4,268	\$ 20	\$ 4,288

Nicolet Area Technical College District
Notes to Financial Statements

Note 6: Leases and Subscription Based Information Technology Arrangements (SBITA)

Future minimum SBITA payments as of June 30, 2025 are:

	Principal	Interest	Total
2026	\$ 785,664	\$ 48,539	\$ 812,319
2027	470,275	305,945	776,220
2028	502,515	269,867	772,382
2029	519,185	234,074	753,259
2030	539,599	195,162	734,761
2031-2035	2,042,110	321,380	2,385,374
Total	\$ 4,859,349	\$ 1,374,967	\$ 6,234,316

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

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

ETF issues a standalone 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.

Nicolet Area Technical College District

Notes to Financial Statements

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

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

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

The WRS also provides death and disability benefits for employees.

Postretirement Adjustments - The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with 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
2015	2.90%	2.00%
2016	0.50%	-5.00%
2017	2.00%	4.00%
2018	2.40%	17.00%
2019	0.00%	-10.00%
2020	1.70%	21.00%
2021	5.10%	13.00%
2022	7.40%	15.00%
2023	1.60%	-21.00%
2024	3.60%	15.00%

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, 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, 2025 and 2024, the WRS recognized \$854,169 and \$815,950, respectively, in contributions from the employer.

Nicolet Area Technical College District

Notes to Financial Statements

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

The District only has employees in the general category which had the following contribution rates as of June 30, 2025 and 2024:

	2025		2024	
	Employee	Employer	Employee	Employer
General (including teachers, executives, and elected officials)	6.95%	6.95%	6.90%	6.90%

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions -At June 30, 2025 and 2024, the District reported a liability (asset) of \$982,052 and \$941,775, 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, 2024 and 2023, the District's proportion was 0.05976587% and 0.06334219%, which was a decrease of 0.00357632% and a decrease of 0.00420030% from its proportion measured in the respective prior year.

For the years ended June 30, 2025 and 2024, the District recognized pension expense of \$1,348,674 and \$662,053.

At June 30, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,049,809	\$ 2,865,864	\$ 3,797,229	\$ 5,029,453
Changes in assumptions	291,393	-	410,492	-
Net differences between projected and actual earnings on pension plan investments	1,492,280	-	3,281,935	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	69,418	-	62,792	1,588
Employer contributions subsequent to the measurement date	434,199	-	404,056	-
Totals	\$ 5,337,099	\$ 2,865,864	\$ 7,956,504	\$ 5,031,041

Nicolet Area Technical College District

Notes to Financial Statements

Note 7: 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) - \$434,199 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, 2026. 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
2026	\$ 621,407
2027	2,058,816
2028	(490,589)
2029	(152,597)

Actuarial Assumptions - The total pension liability in the actuarial valuations used for the years ended June 30, 2025 and 2024, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2025	2024
Actuarial Valuation Date	December 31, 2023	December 31, 2022
Measurement Date of Net Pension Liability (Asset)	December 31, 2024	December 31, 2023
Experience Study:	January 1, 2021 - December 31, 2023	January 1, 2018 - December 31, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Fair Value	Fair Value
Long-Term Expected Rate of Return	6.80%	6.80%
Discount Rate	6.80%	6.80%
Salary Increases:		
Inflation	3.00%	3.00%
Seniority/Merit	0.1% - 5.7%	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.70%	1.70%

* 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 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. 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, 2024 and 2023, is based upon a roll-forward of the liability calculated from the December 31, 2023 and 2022, actuarial valuations.

Nicolet Area Technical College District

Notes to Financial Statements

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

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

Asset Allocation Targets and Expected Returns	December 31, 2024		
	Asset Allocation%	Long-Term Expected Nominal Rate of Return%	Long-Term Expected Real Rate of Return%
Core Fund			
Public Equity	38.00%	7.00%	4.30%
Public Fixed income	27.00%	6.10%	3.40%
Inflation sensitive assets	19.00%	4.80%	2.10%
Real estate	8.00%	6.50%	3.80%
Private equity/debt	20.00%	9.50%	6.70%
Leverage	-12.00%	3.70%	1.10%
Total core fund	100.00%	7.50%	4.80%
Variable Fund			
U.S. equities	70.00%	6.50%	3.80%
International equities	30.00%	7.40%	4.70%
Total variable fund	100.00%	6.90%	4.20%

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.70%

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. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

Nicolet Area Technical College District

Notes to Financial Statements

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

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

Asset Allocation Targets and Expected Returns	December 31, 2023		
	Asset Allocation%	Long-Term Expected Nominal Rate of Return%	Long-Term Expected Real Rate of Return%
<u>Core Fund</u>			
Public equity	40.00%	7.30%	4.50%
Public fixed income	27.00%	5.80%	3.00%
Inflation sensitive	19.00%	4.40%	1.70%
Real estate	8.00%	5.80%	3.00%
Private equity/debt	18.00%	9.60%	6.70%
Leverage	-12.00%	3.70%	1.00%
Total core fund	100.00%	7.40%	4.60%
<u>Variable Fund</u>			
U.S. equities	70.00%	6.80%	4.00%
International equities	30.00%	7.60%	4.80%
Total variable fund	100.00%	7.30%	4.50%

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. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount Rate: A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% (2024) and 6.8% (2023) and a municipal bond rate of 4.08% (2024) and 3.77% (2023) (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, 2023 and 2022, 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% expected rate of return implies that a dividend of approximately 1.7% 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.

Nicolet Area Technical College District

Notes to Financial Statements

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

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

	2025		2024	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to the rate	5.8%	\$ 9,212,931	5.8%	\$ 9,102,714
Current discount rate	6.8%	982,052	6.8%	941,775
1% increase to the rate	7.8%	(4,865,751)	7.8%	(4,768,779)

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>.

Payables to the Pension Plan - At June 30, 2025 and 2024, the District reported a payable of \$0 and \$62,976 for the outstanding amount of employer contributions to the pension plan.

Note 8: 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, 2024, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	54
Active employees	152
Totals	206

Nicolet Area Technical College District

Notes to Financial Statements

Note 8: Other Postemployment Benefits - District OPEB Plan (Continued)

Total OPEB Liability - The District's total OPEB liability at June 30, 2025, was \$3,537,321, measured as of June 30, 2024, and was determined by rolling forward the actuarial valuation as of June 30, 2024 to the measurement date. The District's total OPEB liability at June 30, 2024, was \$2,604,179, was measured as of June 30, 2023, rolled forward to the measurement date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2024, update to the actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry Age Normal (level percent of salary)
Inflation	2.50 %
Discount Rate	4.21 %
Healthcare cost trend rate	7.00% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter

The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry Age Normal (level percent of salary)
Inflation	2.50 %
Discount Rate	4.13 %
Healthcare cost trend rate	7.00% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter

The 4.21% discount rate used to measure the total OPEB liability was based on the S&P Municipal Bond 20 Year High Grade Index published by the Federal Reserve as of the respective measurement dates. Mortality rates were based upon the 2020 WRS experience tables for active employees and healthy retirees projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010. 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.

Changes in Total OPEB Liability - OPEB liability activity for the years ended June 30, 2025 and 2024, were as follows:

Balance at July 1, 2024	\$ 2,604,179
Service cost	63,859
Interest	98,765
Differences between expected and actual experience	1,230,575
Changes in assumptions or other input	29,353
Benefit payments	(489,410)
Balance at June 30, 2025	\$ 3,537,321

Nicolet Area Technical College District

Notes to Financial Statements

Note 8: Other Postemployment Benefits - District OPEB Plan (Continued)

Changes in **Total OPEB Liability** (Continued)

Balance at July 1, 2023	\$	2,975,489
Service cost		62,387
Interest		110,517
Differences between expected and actual experience		(45,508)
Changes in assumptions or other input		(11,189)
Benefit payments		(487,517)
Balance at June 30, 2024	\$	2,604,179

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:

	2025		2024	
	Discount Rate	Total OPEB Liability	Discount Rate	Total OPEB Liability
1% decrease to the rate	3.21%	\$ 3,659,594	3.13%	\$ 2,691,137
Current Rate	4.21%	\$ 3,537,321	4.13%	\$ 2,604,179
1% increase to the rate	5.21%	\$ 3,418,020	5.13%	\$ 2,518,951

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:

	2025		2024	
	Healthcare Cost Trend Rate	Total OPEB Liability	Healthcare Cost Trend Rate	Total OPEB Liability
1% decrease to the rate	6.0% decreasing to 3.5%	\$ 3,497,195	6.0% decreasing to 3.5%	\$ 2,560,593
Current Rate	7.0% decreasing to 4.5%	\$ 3,537,321	7.0% decreasing to 4.5%	\$ 2,604,179
1% increase to the rate	8.0% decreasing to 5.5%	\$ 3,573,635	8.0% decreasing to 5.5%	\$ 2,643,029

Nicolet Area Technical College District

Notes to Financial Statements

Note 8: Other Postemployment Benefits - District OPEB Plan (Continued)

OPEB Expense and Deferred Outflow of Resources - For the years ended June 30, 2025 and 2024, the District recognized OPEB expense of \$365,685 and \$350,359, respectively. At June 30, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,133,221	\$ 22,754	\$ 156,883	\$ 34,131
Changes in assumptions	25,160	46,789	-	90,781
Employer contributions subsequent to the measurement date	480,292	-	489,410	-
Totals	\$ 1,638,673	\$ 69,543	\$ 646,293	\$ 124,912

\$480,292 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, 2026. 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
2026	\$ 203,063
2027	165,814
2028	179,989
2029	179,989
Thereafter	359,983

Note 9: Other Postemployment Benefits - Local Retiree Life Insurance Fund

Plan Description - The Local Retiree Life Insurance Fund (LRLIF) is a 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 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.

Nicolet Area Technical College District

Notes to Financial Statements

Note 9: 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, 2025 and 2024, 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, 2024 and 2023, are as listed below:

Life Insurance Employee Contribution Rates
For the Years Ended December 31, 2024 and 2023

Attained Age	Basic	Supplemental
Under30	\$ 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, 2025 and 2024, the LRLIF recognized \$5,461 and \$6,173, 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, 2025 and 2024, the District reported a liability of \$1,001,432 and \$1,184,765, 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, 2024 and 2023, the District's proportion was 0.25597300% and 0.25752100%, which was a decrease of 0.001548% and 0.02398700% from its proportion measured in the respective prior year.

For the years ended June 30, 2025 and 2024, the District recognized OPEB expense of \$16,615 and \$56,158.

Nicolet Area Technical College District

Notes to Financial Statements

Note 9: 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, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 104,855	\$ -	\$ 104,855
Net differences between projected and actual earnings on OPEB plan investments	16,752	-	16,006	-
Changes in assumptions	245,723	561,682	370,605	466,535
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,370	110,510	18,487	144,638
Employer contributions subsequent to the measurement date	2,653	-	3,539	-
Totals	\$ 277,498	\$ 777,047	\$ 408,637	\$ 716,028

\$2,653 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, 2026. 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
2026	\$ (65,480)
2027	(97,794)
2028	(131,965)
2029	(130,600)
2030	(43,432)
Thereafter	(32,931)

Nicolet Area Technical College District

Notes to Financial Statements

Note 9: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions - The total OPEB liability in the January 1, 2025 and 2024, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2025	2024
Actuarial Valuation Date	January 1, 2024	January 1, 2023
Measurement date of net OPEB liability	December 31, 2024	December 31, 2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
20 year tax-exempt municipal bond	4.08%	3.26%
Long-Term Expected Rate of Return	4.25%	4.25%
Discount Rate	4.09%	3.32%
Salary Increases:		
Inflation	3.00%	3.00%
Seniority/Merit	0.1%-5.7%	0.1%-5.6%
Mortality	2020 WRS Experience Mortality Table	2020 WRS Experience Mortality Table

*Based on the Bond Buyer GO 20-Bond Municipal Index

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The total OPEB liability for December 31, 2024 and 2023, is based upon a roll-forward of the liability calculated from the January 1, 2024 and 2023, 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, 2024

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit bonds	Bloomberg US Intern Credit	40%	2.41%
U.S. Mortgages	Bloomberg US MBS	60%	2.71%
Inflation			2.30%
Long-term expected rate of return			4.25%

Nicolet Area Technical College District
Notes to Financial Statements

Note 9: 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, 2023

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit bonds	Bloomberg US Intern Credit	50%	2.32%
U.S. Mortgages	Bloomberg US MBS	50%	2.52%
Inflation			2.30%
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 remained the same from December 31, 2023 to December 31, 2024 at 2.30%.

Single Discount Rate: A single discount rate of 4.09% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. 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, 2037.

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.

Nicolet Area Technical College District

Notes to Financial Statements

Note 9: 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:

	2025		2024	
	Discount Rate	Total OPEB Liability	Discount Rate	Total OPEB Liability
1% decrease to the rate	3.09%	\$ 1,338,554	2.32%	\$ 1,591,897
Current Rate	4.09%	\$ 1,001,432	3.32%	\$ 1,184,765
1% increase to the rate	5.09%	\$ 741,649	4.32%	\$ 873,992

Note 10: 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, 2025, 7 employees received benefits under these provisions totaling \$17,323. During the year ended June 30, 2024, 8 employees received benefits under these provisions totaling \$27,473. The value of providing these benefits in the future aggregated \$51,906 and \$69,229 on June 30, 2025 and 2024, respectively.

Note 11: 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 2025 and 2024. For the years ended June 30, 2025 and 2024, the District paid premiums of \$146,874 and \$151,363, 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.

Nicolet Area Technical College District

Notes to Financial Statements

Note 11: Risk Management (Continued)

The audited DMI financial statements can be obtained through Districts Mutual Insurance Co., 212 W. Pinehurst Trail, Dakota Dunes, South Dakota 57049.

Supplemental Insurance

In July 1997, the WTCS technical colleges formed the WTCS Insurance Trust to jointly purchase commercial insurance to provide coverage for losses from theft of, damages to, or destruction of assets. The trust is organized under Wisconsin Statutes 66.0301 and is governed by a board of trustees consisting of one trustee from each member college. Member entities include all 16 Wisconsin Technical College System districts.

The WTCS Insurance Trust has purchased the following levels of coverage from 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 2024.

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, 2025 and 2024, the District paid premiums of \$4,283,775 and \$4,229,767, respectively.

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

Nicolet Area Technical College District

Notes to Financial Statements

Note 12: 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 13: Expense Classification

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

	2025	Restated 2024
Salaries and wages	\$ 13,792,971	\$ 13,787,099
Fringe benefits	6,744,881	6,020,690
Travel, memberships, and subscriptions	561,800	596,922
Supplies and minor equipment	1,139,461	1,878,738
Postage, printing, and advertising	274,013	252,880
Repairs and maintenance	654,683	309,571
Contracted services	1,787,746	2,100,421
Insurance	178,897	192,868
Utilities	383,414	392,545
Depreciation and amortization	2,690,648	2,296,546
Other	172,709	220,690
Student aid	888,124	959,926
Total operating expenses	\$ 29,269,347	\$ 29,008,896

Note 14: Outstanding Contractual Commitments

At June 30, 2025, the District had no outstanding contractual commitments related to construction, capital projects, or other significant contractual arrangements

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 \$243,760 and \$212,474 for the years ended June 30, 2025 and 2024, respectively.

Note 16: Adjustments and Restatements of Beginning Balances

During 2025, a change in accounting principle, GASB statement 101, *Compensated Absences*, resulted in adjustments to and restatements of beginning net position, as follows:

	6/30/2023 As Previously Reported	Changes in Accounting Principle	6/30/2023 As Restated
Government-Wide			
Business-type activities	\$ 56,666,172	(107,000)	\$ 56,559,172
Total	\$ 56,666,172	\$ (107,000)	\$ 56,559,172

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	District's 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
2024	0.05976587 %	\$ 982,052	\$ 11,987,654	8.19 %	98.79 %
2023	0.06334219	941,775	11,688,046	8.06	98.85
2022	0.06754249	3,578,201	11,548,183	30.98	95.72
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

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
2025	\$ 854,169	\$ 854,169	\$ -	\$ 12,379,261	6.89 %
2024	815,950	815,950	-	11,913,155	6.84
2023	793,476	793,476	-	11,947,805	6.64
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

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.

See Independent Auditor's Report.

Nicolet Area Technical College District

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

<i>Year Ended June 30, 2025</i>	2024	2023	2022	2021	2020
Valuation Date:	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Actuarial Cost Method:	Frozen Entry Age				
Amortization Method:	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)				
Net Investment Rate of Return:	5.40%	5.40%	5.40%	5.40%	5.40%
Pre-retirement:	6.80%	6.80%	7.00%	7.00%	7.00%
Post-retirement:	5.00%	5.00%	5.00%	5.00%	5.00%
Wage Inflation:	3.00%	3.00%	3.00%	3.00%	3.00%
Seniority/Merit:	0.1%-5.7%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.70%	1.70%	1.90%	1.90%	1.90%

Nicolet Area Technical College District

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

Year Ended June 30, 2025	2024	2023	2022	2021	2020
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 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 2021 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 2021 valuation pursuant to an experience study of the period 2015-2017.
Mortality:	2020 WRS Experience Tables. The rates based on the actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	2020 WRS Experience Tables. The rates based on the actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	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 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%).

Nicolet Area Technical College District

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

<i>Year Ended June 30, 2025</i>	2019	2018	2017	2016	2015
Valuation Date:	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Actuarial Cost Method:	Frozen Entry Age				
Amortization Method:	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)				
Net Investment Rate of Return:	5.50%	5.50%	5.50%	5.50%	5.50%
Pre-retirement:	7.20%	7.20%	7.20%	7.20%	7.20%
Post-retirement:	5.00%	5.00%	5.00%	5.00%	5.00%
Wage Inflation:	3.20%	3.20%	3.20%	3.20%	3.20%
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*:	2.10%	2.10%	2.10%	2.10%	2.10%

Nicolet Area Technical College District

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

Year Ended June 30, 2025	2019	2018	2017	2016	2015
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 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 2021 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 2021 valuation pursuant to an experience study of the period 2015-2017.
Mortality:	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 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%)	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.

*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) *

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Total OPEB Liability									
Service cost	\$ 63,859	\$ 62,387	\$ 97,999	\$ 95,843	\$ 101,442	\$ 95,225	\$ 141,545	\$ 149,919	\$ 149,919
Interest	98,765	110,517	66,334	75,531	113,106	138,172	155,757	147,686	161,726
Differences between expected and actual experience	1,230,575	(45,508)	313,765	-	454,333	-	(183,855)	-	-
Changes in assumptions or other input	29,353	(11,189)	(164,779)	-	163,193	34,903	(190,605)	(91,872)	-
Benefit payments	(489,410)	(487,517)	(473,996)	(688,449)	(719,401)	(729,412)	(601,195)	(747,196)	(812,130)
Net change in total OPEB liability	933,142	(371,310)	(160,677)	(517,075)	112,673	(461,112)	(678,353)	(541,463)	(500,485)
Total OPEB liability at beginning	2,604,179	2,975,489	3,136,166	3,653,241	3,540,568	4,001,680	4,680,033	5,221,496	5,721,496
Total OPEB liability at end	\$ 3,537,321	\$ 2,604,179	\$ 2,975,489	\$ 3,136,166	\$ 3,653,241	\$ 3,540,568	\$ 4,001,680	\$ 4,680,033	\$ 5,221,011
District's covered payroll	\$ 11,815,909	\$ 11,219,075	\$ 11,219,075	\$ 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	29.94%	23.21%	26.52%	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: In 2024, the discount rate was changed to 4.21% to be reflective of the 20-year AA municipal bond rate.

* 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

Last Ten Fiscal Years (When Available) *

	2025	2024	2023	2022	2021	2020	2019	2018
Schedule of Employer's Proportionate Share of the Net OPEB Liability								
Measurement date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
District's proportion of the net OPEB liability	0.25597300%	0.25752100%	0.28150800%	0.28146800%	0.27411100%	0.27539300%	0.31098400%	0.33259100%
District's proportionate share of the net OPEB liability	\$ 1,001,432	\$ 1,184,765	\$ 1,072,497	\$ 1,663,580	\$ 1,507,808	\$ 1,172,677	\$ 802,444	\$ 1,000,627
District's covered payroll during the measurement period	11,633,000	11,018,000	11,387,000	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	37.20%	33.90%	38.81%	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	8.61%	10.75%	9.42%	14.87%	13.61%	10.99%	7.16%	8.59%
Schedule of Employer Contributions								
Contractually required contributions for the fiscal period	5,461	6,173	5,522	5,772	5,557	5,356	5,707	6,331
Contributions in relation to the contractually required contributions	(5,461)	(6,173)	(5,522)	(5,772)	(5,557)	(5,356)	(5,707)	(6,331)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll for the fiscal period	\$ 12,379,261	\$ 11,567,398	\$ 11,474,294	\$ 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%	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

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, 2025

	Original Budget	Amended Budget	Actual On a Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Local government	\$ 2,991,174	\$ 2,991,174	\$ 3,120,665	\$ 129,491
State revenues	17,903,288	17,903,288	18,037,140	133,852
Federal revenues	2,000	2,000	-	(2,000)
Statutory program fees	2,610,000	2,610,000	2,437,907	(172,093)
Material fees	127,000	127,000	132,078	5,078
Other student fees	27,430	27,430	30,941	3,511
Institutional revenues	593,000	593,000	899,731	306,731
Total revenues	24,253,892	24,253,892	24,658,462	404,570
Expenditures:				
Instruction	10,808,869	10,808,869	10,239,132	569,737
Instructional resources	1,321,519	1,321,519	1,273,853	47,666
Student services	2,968,308	2,968,308	2,677,191	291,117
General institutional	8,018,650	8,018,650	6,941,616	1,077,034
Physical plant	1,971,798	1,971,798	1,866,630	105,168
Total expenditures	25,089,144	25,089,144	22,998,422	2,090,722
Excess (deficiency) of revenues over expenditures	(835,252)	(835,252)	1,660,040	2,495,292
Fund balance - Beginning of year	17,968,428	17,968,428	17,968,428	
Fund balance - End of year	\$ 17,133,176	\$ 17,133,176	\$ 19,628,468	
Fund balance:				
Reserved:				
Prepaid items			\$ 125,005	
Noncurrent assets			13,029	
Postemployment benefits			7,344,982	
Unreserved - Designated:				
State aid fluctuations			165,000	
Subsequent year			6,235,411	
Operations			5,745,041	
Total fund balance			\$ 19,628,468	

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, 2025

	Original Budget	Amended Budget	Actual On a Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Local government	\$ 322,015	\$ 322,015	\$ 371,481	\$ 49,466
State revenues	965,710	965,710	792,467	(173,243)
Federal revenues	472,241	472,241	366,969	(105,272)
Institutional revenues	450,000	450,000	219,521	(230,479)
Total revenues	2,209,966	2,209,966	1,750,438	(459,528)
Expenditures:				
Instruction	1,543,962	1,543,962	1,096,716	447,246
Instructional resources	327,384	327,384	309,408	17,976
Student services	316,940	316,940	324,481	(7,541)
General institutional	21,680	21,680	19,833	1,847
Total expenditures	2,209,966	2,209,966	1,750,438	459,528
Excess of revenues over expenditures	-	-	-	-
Fund balance - Beginning of year	675,000	675,000	675,000	
Fund balance - End of year	\$ 675,000	\$ 675,000	\$ 675,000	
Fund balance - reserved for grants and contracts			<u>\$ 675,000</u>	

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, 2025

	Original Budget	Amended Budget	Actual On a Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Local government	\$ 42,619	\$ 42,619	\$ 34,327	\$ (8,292)
Federal revenues	2,124,111	2,124,111	1,677,001	(447,110)
Other student fees	100,000	100,000	99,204	(796)
Total revenues	2,266,730	2,266,730	1,810,532	(456,198)
Expenditures:				
Student services	2,317,406	2,317,406	1,785,532	531,874
Total expenditures	2,317,406	2,317,406	1,785,532	531,874
Excess (deficiency) of revenues over expenditures	(50,676)	(50,676)	25,000	75,676
Fund balance - Beginning of year	131,348	131,348	131,348	
Fund balance - End of year	\$ 80,672	\$ 80,672	\$ 156,348	
Fund balance - reserved for student activities			<u>\$ 156,348</u>	

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

Nicolet Area Technical College

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Capital Projects Fund
 Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual On a Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
State revenues	\$ -	\$ -	\$ 20,000	\$ 20,000
Federal revenues	155,161	155,161	-	(155,161)
Institutional revenues	-	-	238,153	238,153
Total revenues	155,161	155,161	258,153	102,992
Expenditures:				
Instruction	587,801	587,801	398,553	189,248
Instructional resources	74,500	74,500	61,982	12,518
General institutional	1,045,250	1,167,741	1,167,741	-
Physical plant	1,659,420	1,536,929	359,893	1,177,036
Auxiliary Services	6,500	6,500	-	6,500
Total expenditures	3,373,471	3,373,471	1,988,169	1,385,302
Excess (deficiency) of revenues over expenditures	(3,218,310)	(3,218,310)	(1,730,016)	1,488,294
Fund balance - Beginning of year	6,463,800	6,463,800	6,463,800	
Fund balance - End of year	\$ 3,245,490	\$ 3,245,490	\$ 4,733,784	
Fund balance - reserved for capital projects			<u>\$ 4,733,784</u>	

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, 2025

	Original Budget	Amended Budget	Actual On a Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Local government	\$ 416,000	\$ 416,000	\$ 416,000	\$ -
Institutional revenues	-	-	223,508	223,508
Total revenues	416,000	416,000	639,508	223,508
Expenditures:				
Physical plant	416,000	416,000	416,000	-
Total expenditures	416,000	416,000	416,000	-
Excess of revenues over expenditures	-	-	223,508	223,508
Fund balance - Beginning of year	4,651,666	4,651,566	4,651,566	
Fund balance - End of year	\$ 4,651,666	\$ 4,651,566	\$ 4,875,074	
Fund balance - reserved for debt service			\$ 4,875,074	

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, 2025

	Original Budget	Amended Budget	Actual On a Budgetary Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Local government	\$ -	\$ -	\$ 19,425	\$ 19,425
Institutional revenues	416,892	416,892	255,542	(161,350)
Total revenues	416,892	416,892	274,967	(141,925)
Expenditures:				
Auxiliary Services	416,792	416,792	355,755	61,037
Total expenditures	416,792	416,792	355,755	61,037
Change in net position	100	100	(80,788)	(80,888)
Net position - Beginning of year	705,145	705,145	705,145	
Net position - End of year	\$ 705,245	\$ 705,245	\$ 624,357	
Net position - Unrestricted			\$ 624,357	

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	\$ 24,658,462
Special Revenue Aidable Fund	1,750,438
Special Revenue Non-Aidable Fund	1,810,532
Capital Projects Fund	258,153
Debt Service Fund	639,508
Enterprise Fund	274,967
	<hr/>
	29,392,060
Adjustments:	
Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(753,304)
Proceeds from the sale of capital assets are included in revenues for budgetary purposes but are offset by the remaining net book value for GAAP reporting	(6,132)
Summer tuition recognized on the cash basis is adjusted to the accrual basis for GAAP reporting	(60,790)
	<hr/>
Reconciled revenues	\$ 28,571,834
<hr/>	
Revenues per Statement of Revenues and Expenses on a GAAP basis:	
Operating revenues	\$ 5,371,015
Property taxes	3,961,898
State operating appropriations	18,037,140
Loss on disposal of assets	(6,132)
Investment income	1,207,913
	<hr/>
Total	\$ 28,571,834
	<hr/>

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	\$ 22,998,422
Special Revenue Aidable Fund	1,750,438
Special Revenue Non-Aidable Fund	1,785,532
Capital Projects Fund	1,988,169
Debt Service Fund	416,000
Enterprise Fund	355,755
	29,294,316
Adjustments:	
Scholarship allowances are included in expenditures for budgetary purposes but offset revenues for GAAP reporting	(753,304)
Cash basis expenditures adjusted to accrual basis for GAAP reporting:	
Summer school instructional wages	(25,307)
Amortization of bond premium	(8,367)
Interest expense	1,111
Special termination benefits	(17,323)
Postemployment benefits	(114,610)
Net WRS and LRLIF changes	503,330
Subscription Based Information Technology Arrangements	(889,560)
The acquisition of capital assets is reported as an expenditures for budgetary purposes	(797,078)
Repayment of principal on long-term debt is a budgetary expenditure	(449,716)
Student activity funds activity recorded for GAAP purposes	(11,612)
Depreciation and amortization recorded for GAAP purposes	2,689,528
	29,421,408
Expenditures on a GAAP basis	\$ 29,421,408
Expenses per the Statement of Revenues and Expenses on a GAAP basis:	
Operating expenses	\$ 29,269,347
Interest expense	152,060
	29,421,408
Total	\$ 29,421,408

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.

Other Reports

**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 Technical College
Rhineland, Wisconsin

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, Wisconsin (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 2, 2026.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, listed as items 2025-001 and 2025-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Nicolet Area Technical College District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Nicolet Technical College District's response to findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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



Wipfli LLP

January 2, 2026
Eau Claire, Wisconsin