

FINAL OFFICIAL STATEMENT DATED DECEMBER 3, 2025

NEW ISSUE

Not Bank Qualified

Moody's Rated "Aaa"
(See "RATING" herein)

In the opinion of Michael Best & Friedrich LLP, Milwaukee, Wisconsin, Bond Counsel, assuming continued compliance by the District with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") and certain covenants described herein, under existing statutes and court decisions, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. In the further opinion of Bond Counsel, interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed by the Code on individuals and corporations; however, such interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). No opinion is expressed regarding other federal tax consequences arising with respect to the Notes. Interest on the Notes is not exempt from present Wisconsin income taxes. See "TAX EXEMPTION" herein.

\$4,395,000

**NORTHWOOD TECHNICAL COLLEGE DISTRICT, WISCONSIN
General Obligation Promissory Notes, Series 2026A**

Dated: January 7, 2026

Due: As shown below

The \$4,395,000 General Obligation Promissory Notes, Series 2026A (the "Notes") will be dated January 7, 2026, will be fully registered and issued in the denomination of \$5,000 each or any multiple thereof, and will mature serially on October 1, 2026 and on October 1 of the years 2028 through 2032. Interest on the Notes shall be payable commencing on October 1, 2026 and semi-annually thereafter on April 1 and October 1 of each year. U.S. Bank Trust Company, National Association, Milwaukee, Wisconsin will serve as paying agent for the Notes.

MATURITY SCHEDULE

				CUSIP ⁽¹⁾					CUSIP ⁽¹⁾
				Base					Base
(October 1)	Amount	Rate	Yield	66858K	(October 1)	Amount	Rate	Yield	66858K
2026	\$375,000	3.00%	2.70%	CH0	2030	\$ 910,000	4.00%	2.61%	CL1
2027	--	--	--	--	2031	955,000	4.00	2.66	CM9
2028	285,000	3.50	2.68	CJ6	2032	1,005,000	4.00	2.75	CN7
2029	865,000	4.00	2.60	CK3					

The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The Notes will be general obligations of the Northwood Technical College District, Wisconsin (the "District") for which its full faith and credit and taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. The proceeds from the sale of the Notes will be used for the public purposes of (i) paying the cost of building remodeling and improvement projects at the District's campuses, (ii) paying the cost of acquisition of moveable equipment and (iii) certain costs associated with the issuance of the Notes.

The Notes are not subject to call and prior redemption. (See "REDEMPTION PROVISIONS" herein.)

The Financial Advisor to the District is:

BAIRD

The Notes will be issued only as fully registered Notes and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as the securities depository of the Notes. Individual purchases will be made in book-entry form only in denominations of \$5,000 principal amount or any integral multiple thereof. Purchasers of the Notes will not receive certificates representing their interest in the Notes purchased. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

The District's Notes are offered when, as and if issued subject to the approval of legality by Michael Best & Friedrich LLP, Bond Counsel, Milwaukee, Wisconsin. The anticipated settlement date for the Notes is on or about January 7, 2026.

StoneX Financial Inc.

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NORTHWOOD TECHNICAL COLLEGE DISTRICT, WISCONSIN

DISTRICT BOARD

Pete Vrieze, Chairperson
Amber Richardson, Vice Chairperson
Brett Gerber, Secretary
Joe Simonich, Treasurer
Craig Fowler, Member
Janelle Gruetzmacher, Member
Neil Kline, Member
Lorraine C. Laberee, Member
Tim Widiker, Member

ADMINISTRATION

Dr. John Will, President/Chief Executive Officer
Dr. Steven Bitzer, Vice President, Student Affairs
Dr. Aliesha R. Crowe, Vice President, Academic Affairs
Dr. Susan Yohnk Lockwood, Vice President, Strategy, Innovation and Technology
Sara Nick, Vice President, Business Services/CFO
Amanda Gohde, Vice President, Talent & Culture
Jena Vogtman, Associate Vice President, Marketing and Communications

PROFESSIONAL SERVICES

Financial Advisor: Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin
Bond Counsel: Michael Best & Friedrich LLP, Milwaukee, Wisconsin
Paying Agent: U.S. Bank Trust Company, National Association, Milwaukee, Wisconsin

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement is being distributed in connection with the sale of the Notes referred to in this Official Statement and may not be used, in whole or in part, for any other purpose. No dealer, broker, salesman or other person is authorized to make any representations concerning the Notes other than those contained in this Official Statement, and if given or made, such other information or representations may not be relied upon as statements of the Northwood Technical College District, Wisconsin (the "District"). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale.

Unless otherwise indicated, the District is the source of the information contained in this Official Statement. Certain information in this Official Statement has been obtained by the District or on its behalf from The Depository Trust Company and other non-District sources that the District believes to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. Nothing contained in this Official Statement is a promise of or representation by Robert W. Baird & Co. Incorporated (the "Financial Advisor"). The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor and the Underwriter have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor and the Underwriter do not guarantee the accuracy or completeness of such information. The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the financial condition or operations of the District or other information in this Official Statement, since the date of this Official Statement.

This Official Statement contains statements that are "forward-looking statements" as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this Official Statement, the words "estimate," "intend," "project" or "projection," "expect" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties, some of which are discussed herein, that could cause actual results to differ materially from those contemplated in such forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Official Statement.

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The Notes will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity shall have passed upon the accuracy or adequacy of this Official Statement.

THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE NOTES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE NOTES ARE RELEASED FOR SALE AND THE NOTES MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE NOTES INTO INVESTMENT ACCOUNTS.

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SUMMARY

District:	Northwood Technical College District, Wisconsin (the "District").
Issue:	\$4,395,000 General Obligation Promissory Notes, Series 2026A (the "Notes").
Dated Date:	January 7, 2026.
Interest Due:	Commencing on October 1, 2026 and semi-annually thereafter on April 1 and October 1 of each year. Interest on the Notes will be computed on the basis of a 30-day month and a 360-day year.
Principal Due:	October 1, 2026 and on October 1 of the years 2028 through 2032.
Redemption Provision:	The Notes shall not be subject to call and prior redemption. (See "REDEMPTION PROVISIONS" herein.)
Security:	The full faith, credit and resources of the District are pledged to the payment of the principal of and the interest on the Notes as the same become due and, for said purposes, there are levied on all the taxable property in the District, direct, annual irrepealable taxes in each year and in such amounts which will be sufficient to meet such principal and interest payments when due. Under current law, such taxes may be levied without limitation as to rate or amount.
Purpose:	The proceeds from the sale of the Notes will be used for the public purposes of (i) paying the cost of building remodeling and improvement projects at the District's campuses, (ii) paying the cost of acquisition of moveable equipment and (iii) certain costs associated with the issuance of the Notes.
Credit Rating:	This issue has been assigned a "Aaa" rating by Moody's Investors Service, Inc. (See "RATING" herein.)
No Bank-Qualification:	The Notes shall NOT be designated as "qualified tax-exempt obligations."
Tax Status:	Interest on the Notes is excludable from gross income for federal income tax purposes. (See "TAX EXEMPTION" herein.)
Bond Years:	20,833.00 years.
Average Life:	4.740 years.
Record Date:	The 15th day of the calendar month next preceding each interest payment date.

Information set forth on this page is qualified by the entire Official Statement. A full review of the entire Official Statement should be made by potential investors.

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Northwood Technical College District, Wisconsin (the "District" and the "State", respectively) in connection with the sale of the District's \$4,395,000 General Obligation Promissory Notes, Series 2026A (the "Notes"). The Notes are issued pursuant to the Constitution and laws of the State and the resolutions (the "Resolutions") adopted by the District Board (the "Board") and other proceedings and determinations related thereto.

The Parameters Resolution (defined herein) will provide that the District will establish a separate debt service fund with respect to payment of principal and interest on the Notes. In practice, the District will maintain a separate account in its debt service fund for each issue. This practice is in accordance with the traditional interpretation by the District of its obligation under prior note and bond resolutions respecting the maintenance of separate funds.

All summaries of statutes, documents and Resolutions contained in this Official Statement are subject to all the provisions of, and are qualified in their entirety by reference to such statutes, documents and Resolutions, and references herein to the Notes are qualified in their entirety by reference to the form thereof included in the Parameters Resolution. Copies of the Resolutions may be obtained from the Financial Advisor (defined herein) upon request.

REDEMPTION PROVISIONS

The Notes shall not be subject to call and prior redemption.

ESTIMATED SOURCES AND USES

Sources of Funds

Par Amount of Notes	\$4,395,000.00
Reoffering Premium	249,944.00
Total Sources	<u>\$4,644,944.00</u>

Uses of Funds

Deposit to Project Fund	\$4,395,000.00
Bid Premium for Deposit to Debt Service Fund	218,917.00
Underwriter's Discount	31,027.00
Total Uses	<u>\$4,644,944.00</u>

CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE DISTRICT'S POWER TO INCUR INDEBTEDNESS

The Constitution and laws of the State limit the power of the District (and other municipalities of the State) to issue obligations and to contract indebtedness. Such constitutional and legislative limitations include the following, in summary form and as generally applicable to the District.

Purpose

The District may not borrow money or issue notes or bonds therefor for any purpose except those specified by statute, which include among others the purposes for which the Notes are being issued.

General Obligation Bonds

The principal amount of every sum borrowed by the District and secured by an issue of bonds may be payable at one time in a single payment or at several times in two or more installments; however, no installment may be made payable later than the termination of twenty years immediately following the date of the bonds. The Board is required to levy a direct, annual, irrevocable tax sufficient in amount to pay the interest on such bonds as it falls due and also to pay and discharge the principal thereof at maturity. Bonds issued by the District to refinance or refund outstanding notes or bonds issued by the District may be payable no later than twenty years following the original date of such outstanding notes or bonds.

Promissory Notes

In addition to being authorized to issue bonds, the District is authorized to borrow money using promissory notes for any public purpose. To evidence such indebtedness, the District must issue to the lender its promissory notes (with interest) payable within a period not exceeding twenty years following the date of said notes. Such notes constitute a general obligation of the District. Notes may be issued to refinance or refund outstanding promissory notes. However, such notes must be payable within 10 years and not later than twenty years following the original date of such outstanding notes.

Temporary Borrowing

The Board may, on its own motion, borrow money in such sums as may be needed to meet the immediate expenses of maintaining the schools in the District during the current fiscal year. No such loan or loans shall be made to extend beyond November 1 of the next fiscal year nor in any amount exceeding one-half of the estimated receipts for the operation and maintenance of the school for the current fiscal year in which the loan is made.

Debt Limit

Wisconsin Statutes limit the aggregate amount of District indebtedness to an amount not to exceed five percent (5%) of the value of taxable property located in the District. The maximum bonded indebtedness of the District for purchasing school sites and constructing and equipping buildings may not exceed two percent (2%) of the value of the taxable property within the District. For information with respect to the District's percent of legal debt incurred, see the caption INDEBTEDNESS OF THE DISTRICT --"Debt Limit," herein.

THE RESOLUTIONS

The following are summaries of certain provisions of the Resolutions adopted by the Board pursuant to the procedures prescribed by Wisconsin Statutes. Reference is made to the Resolutions for a complete recital of their terms.

The Authorizing Resolution

By way of a resolution adopted on October 15, 2025 (the "Authorizing Resolution"), the Board authorized the issuance of general obligation promissory notes in an amount not to exceed \$4,395,000 for the public purposes of: (a) financing \$1,475,000.00 of building remodeling and improvement projects at its various campuses and (b) financing \$2,920,000.00 of movable equipment at its various campuses.

As required by Wisconsin Statute, notice of the adoption of the Authorizing Resolution was published in the required newspaper on October 23, 2025. The Authorizing Resolution is subject to referendum if, within 30 days after publication of notice of adoption of the Authorizing Resolution a sufficient petition requesting a referendum is filed by the electors of the District. The petition period will expire on November 20, 2025.

The Parameters Resolution

By way of a parameters resolution also adopted on October 15, 2025 (the "Parameters Resolution"), the Board delegated authority to its Vice President, Business Services and Chief Financial Officer (the "Authorized Officer") to accept the proposal of the Underwriter (the "Proposal") for the purchase of the Notes, provided the Proposal met the parameters set forth in the Parameters Resolution, by executing an Award Certificate (the "Award Certificate"). The Board pledged the full faith, credit and resources of the District to the payment of the principal of and interest on the Notes pursuant to the Parameters Resolution. Pursuant to the Parameters Resolution, a direct annual irrevocable tax has been levied for collection in the years 2026 through 2032 in the amounts which will be sufficient to meet the principal and interest payments on the Notes when due (or monies to pay such debt service will otherwise be appropriated). The Parameters Resolution establishes separate and distinct from all other funds of the District a separate debt service fund with respect to payment of principal and interest on the Notes.

Award Certificate

On December 3, 2025, the Authorized Officer executed the Award Certificate, approving the Preliminary Official Statement, accepting the Proposal of the Underwriter, setting forth the details of the Notes, and specifying the amount of the direct annual irrevocable tax levied to pay the principal of and interest on the Notes.

THE DISTRICT

The Board

The administration of the District is exercised by the Board. The Board consists of nine members: two employee members, two employer members, three additional members, one school district official and one elected official. The Board is appointed by a committee consisting of the county board chairpersons of each of the counties within the District. These members are appointed for staggered three-year terms with a Chairperson, Vice Chairperson, Secretary and Treasurer elected annually in July.

The present members of the Board and the expiration of their respective terms of office are as follows:

<u>Name</u>	<u>Current Term Expires</u>
Pete Vrieze, Chairperson	June, 2027
Amber Richardson, Vice Chairperson	June, 2027
Brett Gerber, Secretary	June, 2028
Joe Simonich, Treasurer	June, 2026
Craig Fowler, Member	June, 2026
Janelle Gruetzmacher, Member	June, 2028
Neil Kline, Member	June, 2028
Lorraine C. Laberee, Member	June, 2026
Tim Widiker, Member	June, 2027

Source: *The District*

Administration

The Board is empowered to employ a President to conduct affairs and programs of the District. The current President/Chief Executive Officer is Dr. John Will, who assumed his role in September 2014. Other members of the Administration are as follows:

<u>Name</u>	<u>Title</u>	<u>Year Started</u>
Dr. Steven Bitzer	Vice President, Student Affairs	2007
Dr. Aliesha R. Crowe	Vice President, Academic Affairs	2021 ⁽¹⁾
Dr. Susan Yohnk Lockwood	Vice President, Strategy, Innovation and Technology	1997
Sara Nick	Vice President, Business Services/CFO	2023 ⁽²⁾
Amanda Gohde	Vice President, Talent & Culture	2006
Jena Vogtman	Associate Vice President, Marketing and Communications	2012

⁽¹⁾ Prior to her current role at the District, Dr. Crowe was the Vice President of College Advancement at Northeast Wisconsin Technical College.

⁽²⁾ Prior to her current role at the District, Ms. Nick was the Director of Finance and Budgeting at Chippewa Valley Technical College.

Source: *The District*

Enrollments

<u>Year</u>		<u>Year</u>	
2021-22	1,801.87	2026-27 ⁽¹⁾	1,908.00
2022-23	1,762.76	2028-29 ⁽¹⁾	1,928.00
2023-24	1,837.00	2029-30 ⁽¹⁾	1,948.00
2024-25	1,872.00	2030-31 ⁽¹⁾	1,950.00
2025-26	1,890.00	2031-32 ⁽¹⁾	1,962.00

Note: Excludes dual enrollment transcribed credit courses.

⁽¹⁾Projected FTE enrollments.

Source: The District

Employment Relations

<u>Department</u>	<u>Number of Employees</u>
Administrators	103.0
Faculty	183.8
Other Staff	189.8
TOTAL	476.6

Source: The District's fiscal year 2026 budget.

Labor Contracts

<u>Organization</u>	<u>Employee Group Represented</u>	<u>Contract Expiration⁽¹⁾</u>
American Federation of Teachers, Local 395	Faculty	June 30, 2026

⁽¹⁾Pursuant to the Act, defined below, unions can negotiate base wages only. An employee handbook replaced the prior collective bargaining agreement for all other matters. Negotiations for new contracts are ongoing.

The District considers its relationship with the organization to be positive and productive.

Source: The District

All eligible District personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and, after significant changes were made to the law in 2011, very limited rights to collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32.

As a result of the 2011 amendments to MERA, the District is prohibited from bargaining collectively with municipal employees with respect to any factor or condition of employment except total base wages. Even then, the District is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless the District were to seek approval for a higher increase through a referendum). Ultimately, the District can unilaterally implement the wages for a collective bargaining unit⁽¹⁾.

⁽¹⁾On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV3152, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the District, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement.

Due to the changes described above, the Board is free to unilaterally determine and promulgate policies, benefits and other terms and conditions of employment. The Employee Handbook sets forth policies, procedures and benefits for employees of the nature that were previously set forth in labor contracts. The Employee Handbook's terms are subject to change at the sole discretion of the District and are not subject to grievance or arbitration by the unions. However, individual employees are allowed to file a grievance if they are disciplined or terminated. However, under the changes to MERA, the Board, rather than an arbitrator, is the final decision-maker regarding any grievance, though the grievance must be heard by an impartial hearing officer before reaching the Board.

Pension Plan

All eligible employees in the District are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

District employees are required to contribute half of the actuarially determined contributions, and the District may not pay the employees' required contribution. During the fiscal years ended June 30, 2023, June 30, 2024 and June 30, 2025 ("Fiscal Year 2025") the District's portion of contributions to WRS (not including any employee contributions) totaled \$1,837,663, \$1,961,532 and \$2,075,705, respectively.

Governmental Accounting Standards Board Statement No. 68 ("GASB 68") requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2024, the total pension liability of the WRS was calculated as \$136.18 billion and the fiduciary net position of the WRS was calculated as \$134.54 billion, resulting in a net pension liability of \$1.64 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, as of Fiscal Year 2025, the District reported a liability of \$2,350,424 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2024 based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. The District's proportion was 0.14304246% of the aggregate WRS net pension liability as of December 31, 2024.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees.

For more detailed information regarding the WRS and such actuarial assumptions, see Note 6 in "Appendix A – DRAFT Basic Financial Statements and Related Notes for the year ended June 30, 2025" attached hereto.

403(b) Match Program

Certain District employees may be eligible to participate in the District's 403(b) match program. Faculty hired prior to January 1, 2008 have the choice to participate in the program by electing a match amount varying from \$0 to \$1,400 per year based upon years of service with a \$9,500 lifetime maximum or 2.0% of base salary without a lifetime maximum. Faculty members hired on or after January 1, 2008 are eligible for a contribution match up to 2.0% of their base salary with no lifetime maximum, beginning in the third year of employment.

Management employees can elect to participate in the 403(b) match program beginning with the third full year of employment. The match is a dollar-for-dollar match up to 2.0% of their annual base salary. Management employees hired prior to July 1, 1993 may elect to participate in the match program, but will forfeit their eligibility in the Special Early Retirement Program. Management employees hired after July 1, 1993 are not eligible for the Special Early Retirement Program.

Office and technical support employees hired after January 1, 2009 who are eligible for benefits can elect to participate in the 403(b) match program beginning with the third full year of employment. The match will be a dollar-for-dollar match up to 2.0% of their annualized salary. Eligible employees will elect participation each year.

The District's contributions for the 403(b) match program for the years ending June 30, 2025, June 30, 2024 and June 30, 2023 were \$374,805, \$405,505 and \$331,962, respectively.

For more information regarding the District's Special Early Retirement Program and the 403(b) Match Program, see Note 7 in "Appendix A – DRAFT Basic Financial Statements and Related Notes for the year ended June 30, 2025" attached hereto.

Other Post Employment Benefits

Retiree Health Insurance

The District provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the District and have satisfied specified eligibility standards through a single employer defined benefit plan. Membership of the plan consisted of 107 retirees receiving benefits and 369 active plan members as of June 30, 2023, the date of the latest actuarial valuation.

OPEB calculations are required to be updated every two years and prepared in accordance with Statements No. 74 and No. 75 of the Governmental Accounting Standards Board ("GASB 74/75"). An actuarial study for the plan prepared in accordance with GASB 74/75 was most recently completed by Foster & Foster Actuaries and Consultants in August 2024 with an actuarial valuation date of June 30, 2023 (the "Actuarial Study").

For Fiscal Year 2025, District contributions totaled \$365,000. The District's current funding practice is to fully fund the yearly benefits on a "pay-as-you-go" basis plus additional discretionary contributions to accrue assets for payment of future benefits.

Under GASB 74/75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As of June 30, 2025, the total OPEB liability of the plan was \$4,631,269 and the plan fiduciary net position was \$3,333,042, resulting in a net OPEB liability of \$1,298,227.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information regarding such actuarial assumptions, see Note 8 in "Appendix A – DRAFT Basic Financial Statements and Related Notes for the year ended June 30, 2025" attached hereto. The Actuarial Study is available upon request from the District.

Sick Leave

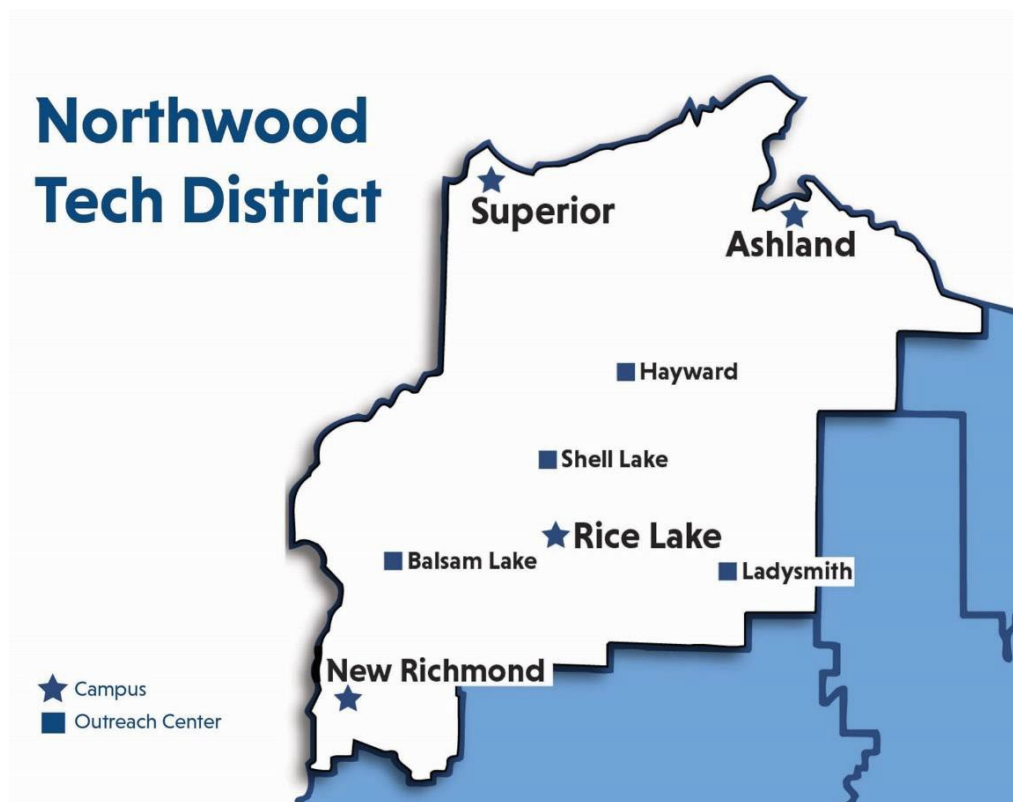
The District also makes termination payments to eligible staff members upon retirement. The liability for these benefits at June 30, 2025 and June 30, 2024 was \$3,798,992 and \$3,966,691, respectively. An actuarial study for the sick leave benefit considered to be OPEB was prepared in accordance with GASB 75 by Foster & Foster Actuaries and Consultants in August 2024 with an actuarial valuation date of June 30, 2023 (the "Sick Leave Actuarial Study").

As shown in the Sick Leave Actuarial Study, as of June 30, 2024, the total sick leave post-employment liability is \$2,681,222 and the expected sick leave obligation is \$5,795,709. The District's current funding practice is to fully fund the sick leave benefit on a "pay-as-you-go" basis.

For more information regarding the sick leave benefit, see Note 9 in "Appendix A – DRAFT Basic Financial Statements and Related Notes for the year ended June 30, 2025" attached hereto. The Sick Leave Actuarial Study is available upon request from the District.

GENERAL INFORMATION

The District was established in 1912 (Superior Campus) and serves the following 11 counties: Ashland, Barron, Bayfield, Burnett, Douglas, Iron, Polk, Rusk, Sawyer, St. Croix and Washburn. The District is the largest such District in the State by area ranging over approximately 20% of the State. The District has administrative offices spread throughout its four campuses. The District operates four campuses located in the Cities of Ashland, New Richmond, Rice Lake and Superior, four branch locations in the Cities of Shell Lake, Hayward, Ladysmith and Balsam Lake.



The District as it exists today was formed in July 1972 by combining the eight-county District 17 and the three-county District 18. Wisconsin vocational, technical and adult education districts were created under Chapter 292, Wisconsin Laws of 1965. Under the 1993 Wisconsin Act 399, the name of the State Board of Vocational, Technical, and Adult Education was changed to the Wisconsin Technical College System Board. Accordingly, after July 21, 1994, the District, which had formerly been named Wisconsin Indianhead Vocational, Technical, and Adult Education District, became officially known as Wisconsin Indianhead Technical College District. Accordingly, after August 2, 2021, the District, which had formerly been named Wisconsin Indianhead Technical College District, became officially known as Northwood Technical College District.

The District offers post-secondary instructional programming in 24 associate degree programs areas including two individualized technical studies degree options, and 29 less-than-one-year, one year and two-year technical diploma programs. The District also offers advanced technical certificates for students who already have an associate degree or equivalent experience and are seeking advanced or specialized training in a specific field, certificates for the successful completion of a course or a combination of courses, and apprenticeship courses.

During the late 1970s, the District undertook an extensive building program on the four campuses, financed by the issuance of debt and annual capital improvement levies. Facilities improvements have been made on a regular basis since that time to meet the changing needs of vocational and technical education.

The Ashland Campus consists of a 74,099 square-foot building on a 30-acre site. The original building was constructed in the late 1960s and has had several additions since then, including a Marine Lab and a 5,123 square-foot Technology Center.

The New Richmond Campus was completed in 1976 and currently consists of a 125,969 square-foot facility situated on a 37-acre site. This campus is located in St. Croix County, the most heavily populated portion of the District. In 1987, the District constructed a 10,700 square-foot addition to this campus. New Richmond's capital campaign contributed \$470,000 in private donations to the project. Additions were also completed in 1993 and 1995. In 1995, and 8,639 square-foot addition to the technical and industrial wing was constructed, partially paid from a \$200,000 capital campaign. A 5,611 square-foot Technology Center was added in 2001 and a 5,072 square-foot Administration and Continuing Education addition was completed in 2002. A 7,584 square-foot Trade and Technical Education area was added in 2010. In January 2025, the college opened a newly remodeled 12,064-square-foot Medical Laboratory Education Center, generously provided by a local healthcare system and situated within the New Richmond community

The Rice Lake Campus is located adjacent to the University of Wisconsin – Barron County Center and consists of two buildings totaling 154,299 square feet. Approximately 15,371 square feet of additional space was added in 1990 to the original 1976 structures. This included 8,604 square feet for a television studio, lab and storage space that links two campus halls; and 6,767 square feet of remodeled space for faculty and supervisor relocation. In 1992, 8,104 square feet for a conference center were added. Rice Lake's capital campaign contributed \$191,000 in private donations to the project. In 1997, a masonry lab and cold storage addition totaling 4,776 square feet were added. In 2003, a Telecommunication Center was added totaling 16,870 square feet. In 2010, a Health Services, Law Enforcement, and Emergency Medical Services (EMS) addition totaling 17,084 square feet was added.

The Superior Campus, with 121,978 square feet of facilities, is located on the campus of the University of Wisconsin - Superior. The original three-story, 99,339 square-foot building was constructed in 1978. A 3,500 square-foot Energy Lab was constructed in 1980. A 9,896 square-foot conference center and second story infill were added in 1992. In 1998, a 2,610 square-foot cold storage addition was added, and in 2006 a 6,633 square-foot Flexible Trade and Technology Lab was added.

The Health Education Center-Shell Lake provides health-related education to all locations within the Northwood Tech District allowing students from all four campuses to have access to the latest innovative equipment and simulation experience. Formerly the administrative building, this building was remodeled in 2021 and consists of 26,693 square feet on a three acre site.

The Aspen Institute College Excellence Program named the District among the nation's top 200 community colleges eligible to compete for the 2027 Aspen Prize for Community College Excellence. The prize, awarded every two years, is in recognition of high achievement and performance among America's community colleges and recognizes institutions for exceptional student outcome in four areas: student learning, certificate and degree completion, employment and earnings, and high access and success for minority and low-income students.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Population

	<u>The District⁽¹⁾</u> (2)	<u>Barron County</u>	<u>Douglas County</u>	<u>Polk County</u>	<u>St. Croix County</u>
Estimate, 2025		47,047	44,520	45,855	100,028
Estimate, 2024	324,622	46,856	44,435	45,575	98,849
Estimate, 2023	322,363	46,676	44,392	45,233	97,347
Estimate, 2022	322,413	46,919	44,547	45,348	96,269
Census, 2020	312,657	46,711	44,295	44,977	93,536

	<u>City of Ashland*</u>	<u>City of Hudson</u>	<u>City of New Richmond</u>	<u>City of Rice Lake</u>	<u>City of Superior</u>
Estimate, 2025	7,652	15,508	11,359	9,037	26,861
Estimate, 2024	7,775	15,439	11,050	9,032	26,859
Estimate, 2023	7,769	15,340	10,824	9,010	26,852
Estimate, 2022	7,819	15,140	10,541	9,080	26,943
Census, 2020	7,908	14,755	10,079	9,040	26,751

⁽¹⁾ District population estimates are based on Wisconsin Department of Administration Final Population Estimates for 2022.

⁽²⁾ Not available.

*Located in Ashland and Bayfield counties.

Source: Wisconsin Department of Administration, Demographic Services Center, Wisconsin Technical College System and U.S. Census Bureau.

Adjusted Gross Income Per Tax Return

	<u>State of Wisconsin</u>	<u>Barron County</u>	<u>Douglas County</u>	<u>Polk County</u>	<u>St. Croix County</u>
2024	\$76,638	\$62,088	\$63,099	\$68,285	\$98,803
2023	73,001	61,361	60,734	66,020	93,007
2022	70,548	57,771	57,680	61,623	90,169
2021	66,369	53,018	54,071	58,681	86,368
2020	61,518	47,875	50,804	53,692	78,582

	<u>City of Ashland*</u>	<u>City of Hudson</u>	<u>City of New Richmond</u>	<u>City of Rice Lake</u>	<u>City of Superior</u>
2024	\$55,304	\$116,604	\$76,928	\$60,393	\$59,327
2023	52,322	111,168	72,407	62,797	57,673
2022	50,165	107,177	68,508	57,992	54,208
2021	46,121	108,802	64,517	52,568	50,636
2020	43,306	97,706	59,964	47,716	48,335

*Located in Ashland and Bayfield counties.

Source: Wisconsin Department of Revenue, Division of Research and Policy.

Unemployment Rate

	State of Wisconsin	Barron County	Douglas County	Polk County	St. Croix County
August, 2025 ⁽¹⁾	3.2%	3.5%	3.9%	3.4%	3.3%
August, 2024	2.9	3.0	3.3	3.4	3.0
Average, 2024	3.0%	3.6%	4.1%	4.3%	3.3%
Average, 2023	2.8	3.6	4.3	4.1	3.5
Average, 2022	2.8	3.3	4.1	3.8	3.1
Average, 2021	3.8	4.0	4.5	4.4	3.6
Average, 2020	6.4	6.2	9.3	7.3	7.2

⁽¹⁾Preliminary.

Source: Wisconsin Department of Workforce Development.

Largest Employers in the District

Name	Type of Business	Number of Employees
Wal-Mart Superstore	Retail stores	2,439*
Jennie-O Turkey Store ⁽¹⁾	Poultry processing plant	1,800
Hudson School District ⁽²⁾	Education	975
Halvor Lines Inc. ⁽³⁾	Specialized freight/trucking	920
St. Croix Casino & Hotel ⁽⁴⁾	Casino, hotel and restaurants	870
Polaris Industries Inc. ⁽⁵⁾	Transport equipment manufacturer	800
Henry Rifles ⁽¹⁾	Sporting rifle manufacturer	800
School District of Superior ⁽³⁾	Education	800
St. Croix County	County government and services	779
Phillips-Medisize, LLC ⁽⁶⁾	Hospital equipment and supplies manufacturer	750

*This figure includes stores in the Cities of Ashland with 351 employees, Hayward with 220 employees, Hudson with 150 employees, Ladysmith with 175 employees, New Richmond with 400 employees, Rice Lake with 400 employees, St. Croix Falls with 415 employees and Superior with 328 employees.

⁽¹⁾City of Rice Lake.

⁽²⁾City of Hudson.

⁽³⁾City of Superior.

⁽⁴⁾Village of Turtle Lake.

⁽⁵⁾City of Osceola.

⁽⁶⁾Cities of Hudson and New Richmond.

Sources: Data Axle Genie (www.salesgenie.com), Barron County Final Official Statement dated April 14, 2025, Douglas County Final Official Statement dated July 9, 2025 and St. Croix County Final Official Statement dated June 3, 2025.

NOTE: This does not purport to be a comprehensive list and is based on available data in the sources identified above.

Largest Taxpayers in the District

<u>Taxpayer</u>	<u>Type of Business</u>	2024 Equalized Valuation*
Hanley Road LLC ⁽¹⁾	Commercial packaging	\$65,397,039
HPIV Minneapolis LLC ⁽¹⁾	Medical facility	61,020,820
Paul L. Anderson Properties LLC ⁽¹⁾	Rental properties	49,454,079
Phillips-Medisize, LLC ⁽¹⁾	Hospital equipment and supplies	44,748,382
Saputo Cheese USA Inc. ⁽²⁾	Cheese production	42,520,800
KM Superior Terminals Inc. ⁽³⁾	Manufacturing	35,344,265
Jennie-O Turkey Store Inc. ⁽²⁾	Poultry processing plant	35,176,700
Lakeview Medical Center Inc. ⁽²⁾	Medical/Hospital	30,511,100
Hunt Electric Corporation ⁽¹⁾	Manufacturing	29,463,991
T Buck Properties ⁽¹⁾	Rental properties	27,549,554
		<u>\$421,186,730</u>

The above taxpayers represent 0.68% of the District's 2024 Equalized Value (TID IN) (\$61,769,000,688). The District's 2025 Equalized Value is \$66,959,697,256.

**Calculated by dividing the 2024 Assessed Values by the 2024 Aggregate Ratio of assessment for the municipality in which the property is located.*

⁽¹⁾St. Croix County.

⁽²⁾Barron County.

⁽³⁾City of Superior.

Sources: St. Croix County Final Official Statement dated June 3, 2025, Barron County Final Official Statement dated April 14, 2025 and the City of Superior. Information for 2025 is not yet available.

NOTE: This does not purport to be a comprehensive list and is based on available data in the sources identified above.

TAX LEVIES, RATES AND COLLECTIONS

Special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31. Real property taxes may be paid in full by January 31 or in two equal installments payable by January 31 and July 31. Municipalities also have the option of adopting payment plans which allow taxpayers to pay their real property taxes and special assessments in three or more installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31 are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. Any amounts paid after July 31 are paid to the county treasurer. For municipalities which have not adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15 and February 20. For municipalities which have adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15, February 20 and the 15th day of each month following a month in which an installment payment is due. On or before August 20, the County Treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. The County Board may authorize its County Treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The County may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. The personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023. Since, in practice, all delinquent real estate taxes are withheld from the County's share of taxes, the District receives 100 percent of the real estate taxes it levies.

2013 Wisconsin Act 145 (the "Act 145") created a revenue limit (the "Revenue Limit") beginning in Fiscal Year 2015. Act 145 also shifted a portion of funding for technical college districts in the State from property taxes levied by the districts to a State aid payment by replacing \$406 million of property tax levies with a State payment beginning in 2015 (the "State Aid"). The amount of State Aid a particular technical college district will receive will be equal to

the share of the district's equalized value as compared to the aggregate equalized value of all technical college districts in the State as of January 1, 2014. State Aid payments are made on the 3rd Friday in February each year. Under Section 38.16 of the Wisconsin Statutes, as amended by Act 145, the Board may levy a tax on the full equalized value of taxable property within the area served by the District for the purposes of making capital improvements, acquiring equipment, operating and maintaining schools and paying principal and interest on valid bonds and notes issued by the District. However, unless approved by referendum and except for taxes levied to pay debt service on valid bonds and notes (other than Noncapital Notes as defined below), the District's revenue ("Revenue") in the 2014-15 school year or any school year thereafter may not be increased by an amount in excess of the District's valuation factor (as described below). Revenue is defined in Section 38.16 of the Wisconsin Statutes as the sum of: (i) the District's tax levy and (ii) the State Aid payment described in the paragraph above. Except in limited circumstances as provided in Section 38.16 of the Wisconsin Statutes, if the Board exceeds its Revenue Limit, the State Technical College System Board is required to make corresponding reductions in state aid payments received by the District.

The calculation of the District's tax levy under the Revenue Limit excludes taxes levied for the purpose of paying principal and interest on valid bonds and notes issued by the District to finance any capital project or equipment with a useful life of more than one year or to refund any municipal obligations or any interest on municipal obligations. However, the calculation of the District's tax levy under the Revenue Limit does apply to notes issued by the District under Section 67.12(12) of the Wisconsin Statutes on or after July 2, 2013 for other purposes (in essence non-capital purposes) ("Noncapital Notes").

Under the Revenue Limit, the District is prohibited from increasing its Revenue (for all purposes except paying principal and interest on valid bonds and notes other than Noncapital Notes) by a percentage that exceeds its valuation factor. Valuation factor is defined as a percentage equal to the greater of (i) the percentage change in the District's January 1 equalized value due to aggregate new construction, less improvements removed, in municipalities located in the District between the previous year and the current year, as determined by the Wisconsin Department of Revenue or (ii) zero percent. If a municipality is located in two or more districts, the Wisconsin Department of Revenue shall apportion the value of the aggregate new construction, less improvements removed, in the municipality among the districts based on the percentage of the municipality's equalized value located in each district. The Revenue Limit permits an increase in Revenue (i) if the District's actual Revenue in any school year is less than its allowable Revenue, allowing the District to carry forward the difference between the allowable Revenue and the actual Revenue, up to a maximum of 0.5% of the prior year's actual Revenue, if the District's Board approves the increase by a three-fourths vote, (ii) with the approval of the electors of the District pursuant to a referendum, or (iii) in an amount equal to the amount of any refunded or rescinded property taxes paid by the Board in the year of the levy if they result in a redetermination of the District's equalized valuation by the Wisconsin Department of Revenue. For the 2025-26 fiscal year, the District established a mill rate of \$0.09766 for operational purposes and \$0.13245 for payment of debt.

The District cannot predict whether there will be any other legislation affecting District's property taxes and revenues in the future.

Set forth below are the taxes levied and the tax rate per \$1,000 equalized value on all taxable property within the District. The rates as set forth include amounts levied for debt service:

<u>Levy Year</u>	<u>Collection Year</u>	<u>District Tax Rate</u>	<u>District Levy</u>	<u>Uncollected Taxes as of August 20th of Each Year</u>	<u>Percent of Levy Collected</u>
2025	2026	\$0.23	\$15,187,057	-To Be Collected-	
2024	2025	0.24	14,599,162	-0-	100.00%
2023	2024	0.25	13,905,672	-0-	100.00
2022	2023	0.27	13,130,491	-0-	100.00
2021	2022	0.32	13,281,836	-0-	100.00

Source: The District

**2025-26 Proportionate Amounts of Local Tax Revenue
Per Municipality Based on 2025 Equalized Valuation**

Entity	2025 Equalized Valuation (TID-OUT)	Percent of Levy	Amount of Levy
Ashland County	\$2,082,504,500	3.155387%	\$479,210
Barron County	7,746,993,400	11.738154	1,782,680
Bayfield County	4,928,803,800	7.468066	1,134,179
Burnett County	5,305,642,500	8.039048	1,220,895
Douglas County	6,140,158,900	9.303497	1,412,927
Iron County	719,064,800	1.089519	165,466
Polk County	9,346,152,900	14.161182	2,150,667
Rusk County	2,190,746,000	3.319393	504,118
Sawyer County	16,064,116,856	24.340163	3,696,554
St. Croix County	6,553,427,500	9.929677	1,508,026
Washburn County	4,920,783,600	7.455914	1,132,334
TOTAL	\$65,998,394,756	100.000000%	\$15,187,057

Source: Wisconsin Department of Revenue.

EQUALIZED VALUATIONS

All equalized valuations of property in the State of Wisconsin are determined by the State of Wisconsin, Department of Revenue, Supervisor of Assessments Office. Equalized valuations are the State's estimate of full market value. The State determines assessed valuations of all manufacturing property in the State. Assessed valuations of residential and commercial property are determined by local assessors.

Set forth in the table below is a historical summary of equalized valuations of property located within the District. The District's valuation (TID IN) has increased an average of 12.31 percent annually, with an overall increase of 59.08 percent since 2021.

Year	Equalized Valuation (TID-IN)	Equalized Valuation (TID-OUT)*
2025	\$66,959,697,256	\$65,998,394,756
2024	61,769,000,688	60,905,078,588
2023	56,148,120,853	55,278,847,853
2022	48,867,525,052	48,072,520,852
2021	42,092,371,261	41,382,226,361

*Some municipalities located within the District have Tax Incremental Districts ("TIDs") under Wisconsin Statutes 66.1105. TID valuations totaling \$961,302,500 for these municipalities have been excluded from the District's tax base for 2025.

Source: Wisconsin Department of Revenue.

INDEBTEDNESS OF THE DISTRICT

Direct Indebtedness

Set forth below is the direct general obligation indebtedness of the District, including principal and interest payments due on existing debt as well as debt service on the Notes. The interest on the Notes has been calculated using an average rate of 3.97 percent. Bond years are 20,833.00 years and average life is 4.740 years.

Year	Outstanding Bonds and Notes		New Issue-Notes		Total Debt Service Requirements
	Principal	Interest	Principal	Interest	
2025	\$8,005,000	\$909,228			\$8,914,228
2026	7,565,000	1,153,207	\$375,000	\$125,125	9,218,332
2027	7,675,000	810,000	--	159,375	8,644,375
2028	7,185,000	606,275	285,000	159,375	8,235,650
2029	5,065,000	404,850	865,000	149,400	6,484,250
2030	3,560,000	232,700	910,000	114,800	4,817,500
2031	2,265,000	101,150	955,000	78,400	3,399,550
2032	--	--	1,005,000	40,200	1,045,200
	41,320,000	4,217,410	4,395,000	826,675	50,759,085
Less: 2025 Payments	(8,005,000)	(909,228)	0	0	(8,914,228)
TOTAL	<u>\$33,315,000</u>	<u>\$3,308,182</u>	<u>\$4,395,000</u>	<u>\$826,675</u>	<u>\$41,844,857</u>

Short Term Borrowing

The District does not borrow for short-term cash flow purposes.

Future Financing

The District historically borrows annually pursuant to its capital improvement plans. The District currently anticipates issuing approximately \$5,460,000 of additional general obligation debt in the next twelve months.

Default Record

The District has no record of default on any prior debt repayment obligations.

Overlapping and Underlying Indebtedness

Set forth below is information relating to the outstanding overlapping and underlying indebtedness of the District.

Entity	Amount of Debt (Less 2025 Principal Payments)	Percent Chargeable to District	Outstanding Debt Chargeable to District
Ashland County	\$931,197	100.00%	\$931,197
Barron County	30,617,999	100.00	30,617,999
Bayfield County	870,000	100.00	870,000
Burnett County	24,285,000	100.00	24,285,000
Douglas County	20,415,000	100.00	20,415,000
Iron County	1,035,252	41.13	425,799
Polk County	9,092,512	100.00	9,092,512
Rusk County ⁽¹⁾	20,891,842	100.00	20,891,842
Sawyer County	\$12,824,342	100.00	\$12,824,342
St. Croix County	114,934,000	87.99	101,130,427
Washburn County	8,392,941	100.00	8,392,941
Total Cities	178,604,265	100.00	178,604,265
Total Villages	66,079,242	varies	66,079,242
Total Towns	54,094,183	varies	54,094,183
Total School Districts ⁽²⁾⁽³⁾	811,392,381	varies	773,557,284
Total Sanitary Districts	2,795,684	varies	2,795,684
TOTAL	\$1,357,255,839		\$1,305,007,716

⁽¹⁾Rusk County anticipates the issuance of \$9,500,000 General Obligation Promissory Notes in December 2025. This amount is included in the figure shown above.

⁽²⁾The School District of Hudson anticipates the issuance of approximately \$39,735,000 General Obligation Refunding Bonds in December 2025. This amount is included in the figure shown above.

⁽³⁾The School District of New Richmond ("New Richmond") approved a Capital Referendum project in April 2024 in an amount of \$113,700,000. New Richmond issued \$83,700,000 of the referendum-approved amount in June 2024, and \$15,000,000 in April 2025. New Richmond anticipates issuing the remaining \$15,000,000 referendum-approved amount in January 2026 to complete the project.

Source: Wisconsin Department of Revenue. Information provided by each municipal entity through publicly available disclosure documents available on [EMMA.msrb.org](https://emma.msrb.org), the Wisconsin Department of Public Instruction, the Wisconsin Department of Revenue 2023 Municipal Debt Margins report and direct inquiries.

NOTE: This summary may not reflect all of the District's outstanding overlapping and underlying indebtedness.

Statistical Summary

The table below reflects direct, overlapping and underlying bonded indebtedness net of all 2025 principal payments.

Equalized Valuation (2025) as certified by the Wisconsin Department of Revenue	\$66,959,697,256
Direct Bonded Indebtedness (including the Notes)	\$37,710,000
Direct, Overlapping and Underlying Bonded Indebtedness (including the Notes)	\$1,342,717,716
Direct Bonded Indebtedness as a Percentage of Equalized Valuation	0.06%
Direct, Overlapping and Underlying Bonded Indebtedness as a Percentage of Equalized Valuation	2.01%
Population of District (2024 Estimate)*	324,622
Direct Bonded Indebtedness Per Capita	\$116.17
Direct, Overlapping and Underlying Bonded Indebtedness Per Capita	\$4,136.25

* Source: Wisconsin Technical College System.

Debt Limit

As described under the caption "CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE DISTRICT'S POWER TO INCUR INDEBTEDNESS--Debt Limit," the total indebtedness of the District may not exceed five percent (5%)⁽¹⁾ of the equalized value of property in the District. Set forth in the table below is a comparison of the outstanding indebtedness of the District, as of the closing date of the Notes and as a percentage of the applicable debt limit.

Equalized Valuation (2025) as certified by the Wisconsin Department of Revenue	\$66,959,697,256
Legal Debt Percentage Allowed	<u>5.00%</u>
Legal Debt Limit	\$3,347,984,863
General Obligation Debt Outstanding (including the Notes)	<u>\$37,710,000</u>
Unused Margin of Indebtedness	\$3,310,274,863
Percent of Legal Debt Incurred	1.13%
Percent of Legal Debt Available	98.87%

⁽¹⁾The maximum bonded indebtedness of the District for the purposes of purchasing school sites and the constructing and equipping of school buildings may not exceed two percent (2%).

FINANCIAL INFORMATION

The financial operations of the District are conducted primarily through a series of state mandated funds. All revenues except those attributable to the building funds and other funds authorized by State law are accounted for in the general fund, and any lawful expenditure of the District must be made from the appropriate fund and recorded therein.

As in other areas of the United States, the financing of public education in the State is subject to changing legislation, variations in public opinion, examination of financing methods through litigation and other matters. For these reasons the District cannot anticipate with certainty all of the factors which may influence the financing of its future activities.

Budgeting Process

The District is required by State law to annually formulate a budget and to hold public hearings thereon prior to the determination of the amounts to be financed in whole or in part by general property taxes, tuition, fees, funds on hand or estimated revenues from other sources. Such budget must list existing indebtedness of the District and all anticipated revenue from all sources during the ensuing year and must also list all proposed appropriations for each functional activity and reserve account of the District during the ensuing year.

The budget evolves from a master planning process that starts with the District's vision and evolves through the stages of strategic planning and operational planning while constantly being balanced against the fiscal plan for District. This process provides for substantial involvement of all of the public having an interest in the District. The District strategic planning process is implemented to better focus the District on the needs of the District and to validate its vision and mission on an ongoing basis. The District's operational plan is then prepared following the vision and strategic focus. The final plan consists of a prioritized listing of items as determined by the President's cabinet with input from the faculty and staff. The budget evolves from the prioritized listing and reflects the cost estimates to maintain the District's current offerings plus any approved growth items which are within the Board's fiscal planning parameters. The Board reviews the budget and formally adopts it after the public hearings are held.

Financial Statements

A copy of the District's Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2024 and DRAFT Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2025 including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the District's financial position. The District expects delivery of the draft financial statements in substantially the form attached hereto, but such draft is subject to further review and revision. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The District has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statements since the date thereof, or relating to this Official Statement, nor has the District requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Notes, the District represents that there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

**GENERAL FUND SUMMARY
FOR YEARS ENDED JUNE 30**

		DRAFT			
	Budget	Actual on a	Actual on a	Actual on a	Actual on a
	2025-26	Budgetary	Budgetary	Budgetary	Budgetary
	2025-26	Basis	Basis	Basis	Basis
	2025-26	2024-25	2023-24	2022-23	2021-22
Revenues					
Local Sources	\$5,880,142	\$5,529,457	\$4,872,113	\$4,395,163	\$3,756,353
Intergovernmental:					
State	33,479,903	33,312,838	32,964,525	32,997,230	32,146,688
Federal	20,000	18,481	17,817	22,143	22,480
Tuition and Fees:					
Statutory program fees	7,547,167	7,301,809	6,716,470	6,380,676	6,640,514
Material fees	484,500	495,084	420,517	383,411	409,284
Other student fees	596,740	561,491	460,897	475,122	460,563
Institutional	650,000	712,068	846,169	731,750	224,227
Total revenues	<u>48,658,452</u>	<u>47,931,228</u>	<u>46,298,508</u>	<u>45,385,495</u>	<u>43,660,109</u>
Expenditures					
Instruction	27,155,201	26,054,750	25,251,285	25,614,389	25,047,758
Instructional Resources	1,415,617	1,621,949	1,677,691	1,617,167	1,470,339
Student Services	5,821,201	5,589,270	5,221,737	5,099,666	4,727,718
General Institutional	11,441,330	10,583,970	11,506,638	9,753,413	9,243,333
Physical Plant	3,190,103	3,256,307	3,088,832	3,441,908	3,242,296
Total Expenditures	<u>49,023,452</u>	<u>47,106,246</u>	<u>46,746,183</u>	<u>45,526,543</u>	<u>43,731,444</u>
Excess of revenues over (under) expenditures	<u>(365,000)</u>	<u>824,982</u>	<u>(447,675)</u>	<u>(141,048)</u>	<u>(71,335)</u>
Other financing sources (uses)					
Operating transfers in	0	0	447,675	606,176	0
Operating transfers (out)	0	(185,006)	0	0	0
Net other financing sources (uses)	<u>0</u>	<u>(185,006)</u>	<u>447,675</u>	<u>606,176</u>	<u>0</u>
Revenues and other sources over (under) expenditures and other uses	(365,000)	639,976	0	465,128	(71,335)
Fund balances - beginning of year	<u>16,328,871</u>	<u>15,688,895</u>	<u>15,688,895</u>	<u>15,223,767</u>	<u>15,295,102</u>
Fund balances - end of year	<u>\$15,963,871</u>	<u>\$16,328,871</u>	<u>\$15,688,895</u>	<u>\$15,688,895</u>	<u>\$15,223,767</u>

NOTE: The amounts for all years are shown on a non-GAAP budgetary basis of accounting. For more information on the budgetary basis of accounting used by the District, see the Notes to the audited financial statements included as part of Appendix A of this Official Statement.

The amounts shown for the fiscal years ended June 30, 2022 through June 30, 2024 are excerpts from the audit reports which have been examined by Wipfli LLP, Eau Claire, Wisconsin (the "Auditor"). The amounts shown for the fiscal year ended June 30, 2025 are shown on a draft basis and the amounts shown for the fiscal year ending June 30, 2026 are shown on a budgetary basis, and such amounts have been provided by the District. The comparative statement of revenues and expenditures should be read in conjunction with the other financial statements and notes thereto appearing at Appendix A to this Official Statement.

UNDERWRITING

The Notes have been purchased at a public sale by a group of Underwriters for whom StoneX Financial Inc., Winter Park, Florida is acting as Managing Underwriter (the "Underwriter"). The Underwriter intends to offer the Notes to the public initially at the prices which produce the yields set forth on the cover of this Official Statement plus accrued interest from January 7, 2026, if any, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices lower than the public offering prices. In connection with this offering, the Underwriter may over allocate or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The reoffering yields shown on the cover of this Official Statement have been provided by the Underwriter, and not by the District.

RATING

This issue has been assigned a "Aaa" rating by Moody's Investors Service, Inc. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Undertaking described under the heading "CONTINUING DISCLOSURE" neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Notes any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

FINANCIAL ADVISOR

Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin, has been retained as financial advisor (the "Financial Advisor" or "Baird") in connection with the issuance of the Notes. In preparing this Official Statement, the Financial Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Financial Advisor's knowledge, the information contained in this Official Statement is true and accurate. However, the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

The Financial Advisor's duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as financial advisor on the Notes. Baird's compensation for serving as financial advisor on the Notes is conditional on the successful closing of the Notes.

TAX EXEMPTION

Federal

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met on a continuing basis subsequent to the issuance of the Notes in order to assure that interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the District to comply with such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes, retroactive to the date of the issuance of the Notes. The District has covenanted to comply with the provisions of the Code applicable to the Notes and has covenanted not to take any action or permit any action that would cause the interest on the Notes to be included in gross income under Section 103 of the Code or cause interest on the Notes to be treated as an item of tax preference under Section 57 of the Code.

Assuming the District observes its covenants with respect to compliance with the Code, Michael Best & Friedrich LLP, Milwaukee, Wisconsin, Bond Counsel to the District, is of the opinion that, under existing statutes and court decisions, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code on individuals and corporations, but that such interest may be included in adjusted current earnings for purposes of computing alternative minimum taxable income with respect to the alternative minimum tax imposed under the Code on certain corporations. See "TAX EXEMPTION - Certain Federal Tax Considerations" herein.

State

Interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

Certain Federal Tax Considerations

Ownership of the Notes may result in collateral federal tax consequences to certain taxpayers, including, without limitation, financial institutions, corporations with excess net passive income, property and casualty companies, individual recipients of social security or railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, foreign corporations that may be subject to the foreign branch profits tax, and taxpayers who may be deemed to have incurred indebtedness to purchase or carry the Notes. Bond Counsel will express no opinion with respect to these or any other collateral tax consequences of the ownership of the Notes. The nature and extent of the tax benefit to a taxpayer of ownership of the Notes will generally depend upon the particular nature of such taxpayer or such taxpayer's own particular circumstances, including other items of income or deduction. Accordingly, prospective purchasers of the Notes should consult their own tax advisors with respect to these and other collateral federal tax consequences resulting from ownership of the Notes. Bond Counsel is not rendering any opinion on any federal tax matters other than those described under the caption "TAX EXEMPTION". Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Backup Withholding

Commencing with interest paid in 2006, interest paid on tax-exempt obligations such as the Notes is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Notes may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Section 265 Qualification

The Code denies the interest deduction for indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of one hundred percent (100%) of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues, which must be so designated by the issuer as qualified under Section 265 of the Code, eighty percent (80%) of such interest may be deducted as a business expense by such institutions.

The District has designated the Notes as qualified under Section 265 of the Code for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

Change in Law and Post-Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of interest on the Notes for federal or state income tax purposes, and thus on the value or marketability of the Notes. This impact could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of interest on the Notes from gross income of the owners thereof for federal income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal income tax treatment of holders of the Notes may occur. Prospective purchasers of the Notes should consult their own tax advisors regarding such matters.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Notes may affect the tax status of interest on the Notes. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof upon the advice or approval of other counsel.

ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

Interest Not Exempt from Wisconsin Income Taxes

Interest on Notes issued by the District is not exempt from present Wisconsin income taxes. Owners of any of the Notes should consult with their personal tax advisors with respect to state and local tax consequences of holding the Notes.

Bond Premium

To the extent that the initial offering price of certain of the Notes is more than the principal amount payable at maturity, such Notes ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

NO DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATIONS

The District will NOT designate the Notes as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934 (the "Rule"), the District shall covenant pursuant to the Parameters Resolution adopted by the Board to enter into an undertaking (the "Undertaking") for the benefit of holders including beneficial holders of the Notes to provide certain financial information and operating data relating to the District annually to the Municipal Securities Rulemaking Board (the "MSRB"), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. **The Undertaking provides that the annual report will be filed not later than 12 months after the end of each fiscal year. The District's fiscal year ends June 30th.** The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the District at the time the Notes are delivered. Such Certificate will be in substantially the form attached hereto as Appendix B. A failure by the District to comply with the Undertaking will not constitute an event of default on the Notes (although holders

will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

The District is required to file its continuing disclosure information using the Electronic Municipal Market Access (“EMMA”) system. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Certain content of the annual report the fiscal year ended June 30, 2022, was inadvertently filed without including all outstanding CUSIPS. The June 30, 2022 filing has since been filed to those CUSIPS. Except to the extent the preceding is deemed to be material, in the previous five years the District has not failed to comply in all material respects with any previous undertakings under the Rule. The District has reviewed its continuing disclosure responsibilities to help ensure compliance in the future.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District or the Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

LITIGATION

There is no controversy or litigation of any nature now pending or, to the knowledge of the District, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any proceedings of the District taken with respect to the issuance or sale thereof.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Notes are subject to the unqualified approving legal opinion of Michael Best & Friedrich LLP, Milwaukee, Wisconsin, Bond Counsel. A copy of such opinion will accompany the Notes and will be available at the time of the delivery of the Notes.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the District to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the District to file for relief under Chapter 9. If, in the future, the District were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the District could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the District is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the District could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the District; (b) to any particular assets of the District, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the District were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

MISCELLANEOUS

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION") and has not performed any investigation as to its accuracy, completeness or sufficiency.

The execution and delivery of this Official Statement by the Vice President, Business Services/CFO has been duly authorized by the District.

AUTHORIZATION

This Official Statement has been approved for distribution to prospective purchasers and the Underwriter of the Notes. The District, acting through its Secretary, will provide to the Underwriter of the Notes at the time of delivery of the Notes, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Notes, together with any supplements thereto, at the time of the execution of the Award Certificate and at the time of delivery of the Notes, was true and correct in all material respect and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements in light of the circumstances under which they were made, not misleading.

NORTHWOOD TECHNICAL COLLEGE DISTRICT

By /s/ Sara Nick
Vice President, Business Services/CFO

APPENDIX A

BASIC FINANCIAL STATEMENTS AND RELATED NOTES

**For Fiscal Year Ended June 30, 2024
and
DRAFT For Fiscal Year Ended June 30, 2025**

NORTHWOOD TECHNICAL COLLEGE DISTRICT

**Wipfli LLP
Eau Claire, Wisconsin**

A copy of the District's Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2024 and DRAFT Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2025 including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the District's financial position. The District expects delivery of the draft financial statements in substantially the form attached hereto, but such draft is subject to further review and revision. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The District has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statements since the date thereof, or relating to this Official Statement, nor has the District requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Notes, the District represents that there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

Northwood Technical College District

Financial Report

Year Ended June 30, 2024 & 2023

Northwood Technical College District

Financial Statements and Supplementary Financial Information

Years Ended June 30, 2024 and 2023

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Northwood Technical College District

Financial Statements and Supplementary Financial Information

Years Ended June 30, 2024 and 2023

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Independent Auditor's Report

District Board
Northwood Technical College District
Rice Lake, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the Northwood Technical College District (the "District"), as of and for the years ended June 30, 2024 and 2023, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the Northwood Technical College District as of June 30, 2024 and 2023, 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. 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 Northwood 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. The financial statements of the Northwood Technical College Foundation, Inc., a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

Change in Accounting Principle

We draw attention to Note 1 of the financial statements, in 2023, the District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northwood 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 Northwood 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 Northwood 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 changes in the employer's net OPEB liability (asset) and related ratios - District OPEB plan, schedule of investment returns - District OPEB plan, schedule of employer contributions - District OPEB plan, and the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System 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 basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The non-GAAP budgetary basis schedules listed in the table of contents as supplementary information, as required by the Wisconsin Technical College Systems 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 December 11, 2024 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 Northwood 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
December 11, 2024

Management Discussion and Analysis

Northwood Technical College District

Management's Discussion and Analysis

Years Ended June 30, 2024 and 2023

Northwood Technical College District's (Northwood Tech, "College" or the "District") management's discussion and analysis (MD&A) of its financial condition provides an overview of financial activity, identifies changes in financial position, and assists the reader of the financial statements in focusing on noteworthy financial issues.

While maintaining its financial health is crucial to the long-term viability of Northwood Tech, the primary mission of a public institution of higher education is to provide education and training. Therefore, net position is accumulated only as required to ensure that there are sufficient reserve funds to avoid cash flow borrowing and to prevent short-term reactionary changes due to higher than anticipated expenses or lower than anticipated revenues. The MD&A provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. In general, a public college such as the Northwood Tech will report an overall operating deficit or loss, since 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 for the years ended June 30, 2024, 2023 and 2022.

	2024	Restated 2023	Net Position Increase (Decrease) 2024-2023		2022	Net Position Increase (Decrease) 2023-2022	
Operating revenues:							
Tuition and fees	\$ 5,005,617	\$ 4,199,268	\$ 806,349	19.2 %	\$ 5,266,601	\$ (1,067,333)	(20.3)%
State and federal grants	11,426,952	13,121,050	1,694,098	(12.9)%	9,538,090	3,582,960	37.6 %
Contract revenue	3,168,552	2,531,736	636,816	25.2 %	2,337,494	194,242	8.3 %
Miscellaneous	2,954,667	819,365	2,135,302	260.6 %	828,278	(8,913)	(1.1)%
Total operating revenues	22,555,788	20,671,419	1,884,369	9.1 %	17,970,463	2,700,956	15.0 %
Operating expenses:							
Instruction	36,046,425	32,571,184	3,475,241	10.7 %	29,093,785	3,477,399	12.0 %
Instructional resources	1,700,002	1,708,611	(8,609)	(0.5)%	1,427,661	280,950	19.7 %
Student services	6,392,873	7,209,460	(816,587)	(11.3)%	9,123,381	(1,913,921)	(21.0)%
General institutional	9,162,616	10,698,658	1,536,042	(14.4)%	9,743,649	955,009	9.8 %
Physical plant	3,924,023	1,880,690	2,043,333	108.6 %	6,304,608	(4,423,918)	(70.2)%
Auxiliary enterprise services	1,483,461	873,558	609,903	69.8 %	1,585,832	(712,274)	(44.9)%
Depreciation	7,171,327	5,812,685	1,358,642	23.4 %	6,073,944	(261,259)	(4.3)%
Student aid	3,211,203	2,799,481	411,722	14.7 %	3,812,865	(1,013,384)	(26.6)%
Total operating expenses	69,091,930	63,554,327	5,537,603	201.0 %	67,165,725	(3,611,398)	(5.4)%
Nonoperating revenues (expenses):							
Property taxes	13,917,800	13,168,841	748,959	5.7 %	13,310,919	(142,078)	(1.1)%
State nonoperating appropriations	32,964,525	32,997,230	(32,705)	(0.1)%	32,146,688	850,542	2.6 %
CARES Act funding	-	23,954	(23,954)	(100.0)%	6,457,087	(6,433,133)	100.0 %
Investment income earned	1,206,301	951,534	254,767	26.8 %	55,783	895,751	1,605.8 %
Interest expense	(778,843)	(753,893)	(24,950)	3.3 %	(760,846)	6,953	(0.9)%
Gain (loss) on disposal of capital assets	(317,332)	77,573	(394,905)	(509.1)%	23,574	53,999	229.1 %
Total nonoperating revenues (expenses)	46,992,451	46,465,239	527,212	1.1 %	51,233,205	(4,767,966)	(9.3)%

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

	2024	Restated 2023	Net Position Increase (Decrease) 2024-2023		2022	Net Position Increase (Decrease) 2023-2022	
Change in net position	\$ 456,309	\$ 3,582,331	\$ 3,126,022	(87.26)%	\$ 2,037,943	\$ 1,544,388	75.8 %
Net position - Beginning of year, as originally presented	53,715,418	49,454,054	4,261,364	8.62 %	47,416,111	2,037,943	4.3 %
Restatement for implementation of GASB 101	-	679,033	(679,033)	(100.00)%	-	679,033	100.0 %
Net position - Beginning of year, as restated	53,036,385	50,133,087	2,903,298	5.79 %	47,416,111	2,716,976	5.7 %
Net position - End of year	\$ 54,171,727	\$ 53,036,385	\$ 1,135,342	2.14 %	\$ 49,454,054	\$ 3,582,331	7.2 %

Fiscal year 2022 balances were not restated for the impacts of implementing GASB 101

Fiscal Year 2024 Compared to 2023

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

Operating revenues are the charges for services offered by the District. During 2024, the District generated more than \$22.5 million of operating revenue. Significant items and revenue sources are as follows:

In total, tuition and fee income show an increase of 19.2% in 2024, which is a direct reflection of increased enrollment within the College.

Contract revenues were approximately \$3.2 million for the year and represent revenue from instructional and technical assistance contracts with business and industry as well as local school districts.

Auxiliary enterprise revenues are revenues generated by the bookstore, program retail and services sales, food service, and other similar activities of the District. These revenues are included in tuition and fees and totaled \$1,950,142 for 2024. This represents an increase of 52.0% from the previous year.

The State and federal grant revenue decreased 12.9% or \$(1,694,098) in 2024, which is due to the college utilizing more funding of multi-year awarded grants in 2023 compared to 2024.

Operating expenses are costs related to offering the programs of the District. For 2024, operating expenses totaled approximately \$69 million. Approximately 64.0% of this figure represents personnel-related costs. Another major expense was depreciation 10.4%. Expenses such as travel, rentals, insurance, utilities, and other expenses account for the remaining 25.6% of total operating expenses.

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

Fluctuations in major operating expense categories occur on a year-to-year basis based on enrollment changes as well as District initiatives and priorities. The 108.6% increase in physical plant expenditures relates to the percentage completion of district renovation projects as of June 30, 2024 as compared to 2023. The 23.4% increase in depreciation is related to the increase of assets reaching the end of their useful life, as well as ERP implementation costs being amortized. The 0.5% decrease in instructional resources was the result of higher expenses being utilized for instruction-based operations. The 14.4% decrease in general institutional expenditures is attributed to a decrease in spending for ERP implementation costs in 2024 compared to 2023. The 69.8% increase in auxiliary enterprise services is a result of higher claims for self-insurance.

Nonoperating revenues and expenses are items not directly related to providing instruction. Net nonoperating revenues and expenses for the year ended June 30, 2024, increased 1.1%. The most significant component of the decrease in net nonoperating revenues was the loss on disposal of capital assets in 2024.

Net position for 2024 increased \$456,309 as a result of the above activity.

Fiscal Year 2023 Compared to 2022

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

Operating revenues are the charges for services offered by the District. During 2023, the District generated more than \$20.6 million of operating revenue. Significant items and revenue sources are as follows:

In total, tuition and fee income show a decrease of 37.7% in 2023, which is a direct reflection of HEERF dollars not being refunded to students in the current fiscal year as it was in the prior fiscal year. This contributed to a change in scholarship allowance recorded.

Contract revenues were approximately \$2.5 million for the year and represent revenue from instructional and technical assistance contracts with business and industry as well as local school districts.

Auxiliary enterprise revenues are revenues generated by the bookstore, program retail and services sales, food service, and other similar activities of the District. These revenues are included in tuition and fees and totaled \$1,280,450 for 2023. This represents a decrease of 14.9% from the previous year.

State and federal grant revenue increased 37.6% or \$3,582,960 in 2023, which reflects an increase in funding from the State of Wisconsin allocation of Workforce Innovation Grants for the federal grants to district's program.

Operating expenses are costs related to offering the programs of the District. For 2023, operating expenses totaled approximately \$64 million. Approximately 64.6% of this figure represents personnel-related costs. Another major expense was depreciation 9.0%. Expenses such as travel, rentals, insurance, utilities, and other expenses account for the remaining 26.4% of total operating expenses.

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

Fluctuations in major operating expense categories occur on a year-to-year basis based on enrollment changes as well as District initiatives and priorities. The 70.2% decrease in physical plant expenditures relates to the percentage completion of district renovation projects as of June 30, 2023 as compared to 2022. The 3.9% increase in depreciation is related to the increase in assets reaching the end of their useful life, as well as ERP implementation costs being amortized. The 25.3% increase in instructional resources was the result of capital expenditures for technology related to the COVID-19 pandemic to expand virtual instruction. The 18% increase in general institutional expenditures is attributed to an increase in salaries & fringe for staff as a result of a 3-year compensation study by the college. The 44.9% decrease in auxiliary enterprise service is a result of lower enrollment.

Nonoperating revenues and expenses are items not directly related to providing instruction. Net nonoperating revenues and expenses for the year ended June 30, 2023, decreased 9.3%. The most significant component of net nonoperating revenues was the CARES Act funding of \$6.5 million. The other significant component of the decrease in net nonoperating revenues was the CARES Act funding reduction of \$6.4 million over 2022.

Net position for 2023 increased \$3,582,331 as a result of the above activity.

Statement of Cash Flows

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

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

	2024	Restated 2023	Cash Increase (Decrease) 2024-2023		Restated 2022	Cash Increase (Decrease) 2023-2022	
Net cash from operating activities	\$(38,230,228)	\$ (35,080,760)	\$ (3,149,468)	9.0 %	\$ (43,432,552)	\$ 8,351,792	(19.2)%
Net cash from non capital financing activities	47,399,713	45,270,819	2,128,894	4.7 %	52,455,392	(7,184,573)	(13.7)%
Net cash from capital and related financing activities	(10,615,028)	(14,921,714)	4,306,686	(28.9)%	(5,641,374)	(9,280,340)	164.5 %
Net cash from investing activities	1,206,301	951,534	254,767	26.8 %	\$ 55,783	895,751	1,605.8 %
Net increase/ (decrease) in cash and investments	\$ (239,242)	\$ (3,780,121)	\$ 3,540,879	(93.67)%	\$ 3,437,249	\$ (7,217,370)	(210.0)%

Statement of Cash Flows (Continued)

Fiscal Year 2024 Compared to 2023

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

The largest component of cash used in operating activities was payments to employees for salaries/wages and benefits. Approximately \$42.7 million was paid in 2024.

Another significant component of operating cash flows was payments to suppliers. This cash outflow of approximately \$23.5 million represents the costs of goods and services purchased from outside vendors.

The largest cash inflows from operating activities included approximately \$5.8 million in tuition and fees and approximately \$17 million in state and federal grants.

Property tax receipts of \$13,462,960 and \$29.8 million of Property Tax Relief Aid, received in February 2024, are categorized as cash flows from non-capital financing activities.

Fiscal Year 2024 Compared to 2023 (Continued)

The net 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 (debt proceeds and principal and interest payments). Net cash used in capital-related debt activity in this category was approximately \$3.4 million in 2024 as compared to net cash used of approximately \$3.0 million in 2023. Net cash used for capital purchase (purchases less sales proceeds) was approximately \$8.4 million in 2024 and \$11.0 million in 2023.

Investment income is interest received on the District's investments.

Overall, the District's cash and investments decreased by \$239,242 for the current fiscal period.

Fiscal Year 2023 Compared to 2022

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

The largest component of cash used in operating activities was payments to employees for salaries/wages and benefits. Approximately \$38.3 million was paid in 2023.

Another significant component of operating cash flows was payments to suppliers. This cash outflow of approximately \$16.5 million represents the costs of goods and services purchased from outside vendors.

The largest cash inflows from operating activities included approximately \$4.2 million in tuition and fees and approximately \$12.6 million in state and federal grants.

Property tax receipts of approximately \$13.2 million and \$29.8 million of Property Tax Relief Aid, received in February 2023, are categorized as cash flows from non-capital financing activities.

Statement of Cash Flows (Continued)

The net 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 (debt proceeds and principal and interest payments). Net cash used in capital-related debt activity in this category was approximately \$3.0 million in 2023 as compared to net cash provided of approximately \$1.5 million in 2022. Net cash used for capital purchases (purchases less sales proceeds) was approximately \$11.0 million in 2023 and \$4.2 million in 2022.

Investment income is interest received on the District's investments.

Overall, the District's cash and investments decreased by \$3,780,121 for the current fiscal period.

Statement of Net Position

The statements of net position present the financial position of the District at the end of the fiscal year and includes all assets (items that the District owns and amounts owed to the District by others) and liabilities (amounts owed to others by the District and what has been collected from others for which a service has not yet been performed) and deferred inflows and outflows as applicable. These statements are 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.

Statement of Net Position (Continued)

The following is a condensed version of the statements of net position as of June 30, 2024, 2023 and 2022:

	2024	Restated 2023	Increase (Decrease) 2024-2023		2022	Increase (Decrease) 2023-2022	
Assets:							
Cash and investments	\$30,763,678	\$ 31,002,920	\$ (239,242)	(0.8)%	\$ 34,783,041	\$ (3,780,121)	(10.9)%
Net capital assets	62,796,750	62,272,553	524,197	0.8 %	55,220,790	7,051,763	12.8 %
Other assets	14,505,063	8,130,889	6,374,174	78.4 %	18,505,713	(10,374,824)	(56.1)%
Total assets	108,065,491	101,406,362	6,659,129	6.6 %	108,509,544	(7,103,182)	(6.5)%
Deferred outflows of resources:							
Related to pensions (WRS)	18,374,211	28,322,562	(9,948,351)	(35.1)%	22,795,881	5,526,681	24.2 %
Related to OPEB (District plan)	245,537	1,961,443	(1,715,906)	(87.5)%	3,805,367	(1,843,924)	(48.5)%
Total deferred outflows of resources	18,619,748	30,284,005	(11,664,257)	(38.5)%	26,601,248	3,682,757	13.8 %
Liabilities:							
Other liabilities	10,287,442	3,747,162	6,540,280	174.5 %	5,027,349	(1,280,187)	(25.5)%
Noncurrent liabilities	49,282,673	57,298,351	(8,015,678)	(14.0)%	51,271,242	6,027,109	11.8 %
Total liabilities	59,570,115	61,045,513	(1,475,398)	(2.4)%	56,298,591	4,746,922	8.4 %
Deferred inflows of resources:							
Related to pensions (WRS)	11,618,472	16,386,791	(4,768,319)	(29.1)%	28,675,213	(12,288,422)	(42.9)%
Related to OPEB (District plan)	1,324,925	542,645	782,280	144.2 %	737,591	(194,946)	(26.4)%
Total deferred inflows of resources	12,943,397	16,929,436	(3,986,039)	(23.5)%	29,412,804	(12,483,368)	(42.4)%
Net Position:							
Net investment in capital assets	26,960,113	24,951,349	2,008,764	8.1 %	19,246,797	5,704,552	29.6 %
Restricted net pension asset	-	-	-	- %	12,147,023	(12,147,023)	100.0 %
Restricted for students and other organizations	504,918	525,470	(20,552)	(3.9)%	524,835	635	0.1 %
Restricted for debt service	8,208,910	8,037,369	171,541	2.1 %	7,730,764	306,605	4.0 %
Unrestricted	18,497,786	20,201,230	(1,703,444)	(8.4)%	9,804,635	10,396,595	106.0 %
Total net position	\$54,171,727	\$ 53,715,418	\$ 456,309	0.8 %	\$ 49,454,054	\$ 4,261,364	8.6 %

Statement of Net Position (Continued)

Fiscal Year 2024 Compared to 2023

Specific items of interest related to the statements of net position include the following:

Cash and investments decreased by \$239,242 in 2024. This is primarily the result of an increase in self-funded insurance benefits over what was budgeted by the college.

The largest component of the District's assets is net capital assets, which represents the District's net investment in its physical plant and equipment. The net capital asset balance increased by 0.8%.

The other assets category is made up of various receivable balances, including tuition and contracted services accounts receivable [\$3.2 million], property taxes receivable [\$4.7 million], bookstore inventories [\$215,000] and prepaid expenses [\$337,000].

Total liabilities and deferred inflows decreased by \$5.4 million in 2024, compared to a decrease of \$6.9 million in 2023. This decrease is mainly a result of the decrease in deferred inflows related to WRS.

Other liabilities include accounts payable and various types of accruals.

Noncurrent liabilities of approximately \$41 million represent the portion of long-term obligations due after fiscal year as well as the District's net OPEB liability.

The District is also reporting a \$18.4 million deferred outflow of resources and a \$11.6 million deferred inflow of resources for its proportionate share of the WRS deferred outflows and inflows related to pensions. In 2024, the District is reporting a deferred outflow of \$246,000 as well as a deferred inflow of \$1.3 million related to the District's OPEB plan.

Fiscal Year 2023 Compared to 2022

Specific items of interest related to the statements of net position include the following:

Cash and investments increased by \$3,780,121 in 2023. This is primarily the result of not having CARES Act funding that was drawn for 2022 and 2021 lost revenues, as well as an increase in wages & fringe benefits due to the compensation study. The District also stopped reimbursements from the OPEB Trust in September, 2022 due to market fluctuation and covered reimbursements through fund balance until the OPEB reimbursement was made in the subsequent fiscal year.

The largest component of the District's assets is net capital assets, which represents the District's net investment in its physical plant and equipment. The net capital asset balance increased by 11.0%.

The other assets category is made up of various receivable balances, including tuition and contracted services accounts receivable [\$2.4 million], property taxes receivable [\$4.2 million], bookstore inventories [\$410,000], and prepaid expenses[\$53,000].

Total liabilities and deferred inflows decreased by \$6.9 million in 2023, compared to an increase of \$8.1 million in 2022. The decrease is mainly a result of the decrease in deferred outflows related to WRS.

Other liabilities include accounts payable and various types of accruals.

Statement of Net Position (Continued)

Noncurrent liabilities of approximately \$58.0 million represent the portion of long-term obligations due after fiscal year as well as the District's net OPEB liability.

The District is also reporting an \$28.3 million deferred outflow of resources and a \$16.4 million deferred inflow of resources for its proportionate share of the WRS deferred outflows and inflows related to pensions. In 2023, the District is reporting a deferred outflow of \$2 million as well as a deferred inflow of \$542,645 related to the District's OPEB plan.

Capital Assets and Debt Administration

The District's net capital assets as of June 30, 2024, amounts to approximately \$62.7 million. This includes land and land improvements, buildings and improvements, movable equipment, and construction in progress. The most significant building project in fiscal year 2024 was the New Richmond Medical Lab Education Center Remodel.

At the end of the 2024 fiscal year, the District had total general obligation debt outstanding of approximately \$39.5 million. The District's Moody's Investor Services bond rating was maintained at Aaa. The District has continued to meet all of its debt service requirements. All general obligation debt for equipment is repaid in three years, while debt related to building and remodeling is repaid in eight to ten years. The debt is secured by the taxing authority of the District. The current debt structure adequately replaces and expands the equipment and facility needs of the District.

The District participates in the Wisconsin Retirement System (WRS) and the Basic Financial Statements include a proportionate share of the assets, liabilities, deferred inflows and outflows, and an increase or decrease in pension expense related to WRS actuarial projections for calendar years ended December 31, 2023 and 2022.

Capital Assets and Debt Administration (Continued)

The following table summarizes the financial impact to the District related to GASB Statement No. 68. For more information, refer to Note 7 and the Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System.

Impact of GASB No. 68 on the Basic Financial Statements

Years Ended June 30, 2024, 2023 and 2022

	2024	Restated 2023	2022
Net Pension Asset (WRS)	\$ -	\$ -	\$ 12,147,023
Deferred Outflows Related to Pensions (WRS)	18,374,211	28,322,562	22,795,881
Asset and Deferred Outflows	18,374,211	28,322,562	34,942,904
Net Pension Liability (WRS)	2,172,926	7,808,790	-
Deferred Inflows Related to Pensions (WRS)	11,618,472	16,386,791	28,675,213
Liabilities and Deferred Inflows	13,791,398	24,195,581	28,675,213
Impact on Total Net Position	4,582,813	4,126,981	6,267,691
Impact on Pension Expense	(455,832)	2,140,711	(2,779,967)
Increase (decrease) in net position excluding GASB No.68 pension expense	477	5,723,042	(742,024)
Increase (decrease) in net position including GASB No. 68 pension expense	456,309	3,582,331	2,037,943
District proportion of the WRS pension liability (asset)	0.146 %	0.147 %	0.151 %
Plan fiduciary net position as a percentage of the total WRS pension liability (asset)	98.85 %	95.72 %	(106.02)%

Economic Factors

Northwood Technical College continues to face a range of economic factors influenced by the ongoing recovery from the COVID-19 pandemic and broader economic conditions. While both the United States and Wisconsin economies showed signs of recovery, challenges from supply chain disruptions, inflation, and rising borrowing costs continued to impact both the cost of goods and services and the delivery of educational programs. Although conditions had improved since the pandemic's peak, Northwood Tech still experienced supply chain delays and inflationary pressures, particularly affecting the cost of goods and services essential to its operations.

Economic Factors (Continued)

Nationally, the Federal Reserve's continued interest rate hikes to curb inflation contributed to higher borrowing costs for both businesses and consumers, including student loans and business loans, which could influence enrollment patterns and financial planning. Despite this, Northwood Tech remained financially stable, with the District's statutory tax levy limits still above its actual tax levy. However, future revenue growth was constrained by the state's biennial budget tax levy freeze, which limits tax levy increases to net new construction, unless approved by referendum.

One of the key economic influences on Northwood's revenue has been the behavior of its student enrollment. Historically, technical colleges see higher enrollment during economic downturns as individuals seek to retrain for new job opportunities. However, the pandemic's economic downturn was unique in its complexity, with many individuals facing uncertainty in employment, childcare, and educational decisions, leading to stagnant enrollments for the college. With that said, Northwood saw a prominent increase in enrollment for the 2024 fiscal year and expect a continued increase in enrollment for the coming fiscal year.

The District also faced increasing financial pressures, including the rising costs of personnel and health insurance, which will continue to outpace revenue growth. Additionally, the evolving nature of technology in the workforce require the college to continuously update and develop new programs to meet labor market needs. Technology-related expenses remained a critical component in maintaining high-quality educational offerings, while also prioritizing a seamless transition to the college's new ERP system.

Despite these challenges, Northwood Tech's financial outlook remains positive, due in part to modest increases in property values within the District, which were expected to slightly reduce the mill rate. The college's long-term financial planning, including the establishment of a post-employment benefit trust, positioned Northwood Tech to continue meeting its financial obligations while maintaining flexibility to respond to future needs. Overall, while the college has faced significant economic pressures, its strong financial position and strategic planning allow for continued offerings of essential services and preparation of future challenges.

Financial Position

Northwood Tech's overall financial position increased by \$456,309. The reasons for this increase have already been discussed in the Statements of Revenues, Expenses and Change in Net Position section.

Northwood Tech continues to maintain a strong financial position with adequate operating reserves within board policy guidelines.

The District has a diverse source of revenue streams, which include state aid and grants, federal grants, business and industry contract revenue, tuition, and property taxes to meet the expenditures of the District. By far, property taxes and Property Tax Relief Aid remain the most significant and stable source of revenue for Northwood Tech. The District uses property tax levy to repay its debt and manage capital assets on replacement or refresh cycle when the assets useful lives have expired allowing the District the use of current technology and well-maintained facilities.

Requests for Information

This financial report is designed to provide a general overview of the District's financial picture for those interested parties. Questions concerning any information contained in this report or for any additional information should be addressed to the Vice President of Business Services, 1900 College Drive, Rice Lake, WI 54868.

Basic Financial Statements

Northwood Technical College District

Statements of Net Position

June 30, 2024 and 2023

<i>Assets and Deferred Outflows of Resources</i>	2024		2023	
	Primary Government	Component Unit	Restated Primary Government	Component Unit
Current assets:				
Cash and investments	\$ 16,738,220	\$ 55,094	\$ 16,390,493	\$ 505,096
Receivables:				
Local Taxes	4,737,320	-	4,282,480	-
Accounts receivable	3,215,579	1,752	2,412,855	3,601
Due from fiduciary fund	-	-	972,228	-
Inventories	215,309	-	409,866	-
Prepaid expenses	-	-	-	-
Other	336,855	-	53,460	-
Grants	6,000,000	-	-	-
Total current assets	31,243,283	56,846	24,521,382	508,697
Noncurrent assets:				
Restricted:				
Cash and investments	14,025,458	-	14,612,427	-
Investments	-	6,355,500	-	5,334,958
Capital assets:				
Capital assets, not being depreciated	2,408,206	-	627,114	-
Capital assets, being depreciated - Net	56,820,984	-	59,048,423	-
Lease assets, net of amortization	26,546	-	40,602	-
Subscription assets, not being amortized	2,404,420	-	1,866,336	-
Subscription assets, being depreciated - Net	1,136,594	-	690,078	-
Total noncurrent assets	76,822,208	6,355,500	76,884,980	5,334,958
Total assets	108,065,491	6,412,346	101,406,362	5,843,655
Deferred outflows of resources:				
Related to pensions (WRS)	18,374,211	-	28,322,562	-
Related to OPEB (District Plan)	245,537	-	1,961,443	-
Total deferred outflows of resources	18,619,748	-	30,284,005	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 126,685,239	\$ 6,412,346	\$ 131,690,367	\$ 5,843,655

Northwood Technical College District

Statements of Net Position (Continued)

June 30, 2024 and 2023

<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	2024		2023	
	Primary Government	Component Unit	Restated Primary Government	Component Unit
Liabilities:				
Current liabilities:				
Accounts payable	\$ 1,013,160	\$ 67,155	\$ 997,297	\$ 56,251
Accrued liabilities:				
Payroll, payroll taxes, and insurance	2,378,232	-	1,649,057	-
Accrued interest	256,752	-	241,619	-
Compensated absences	132	-	448,634	-
Accrued and other liabilities	6,474	-	-	-
Unearned revenue	6,632,692	-	410,555	-
Current portion of long-term obligations	8,182,529	-	7,841,072	-
Total current liabilities	18,469,971	67,155	11,588,234	56,251
Noncurrent liabilities:				
Lease obligations	12,762	-	26,972	-
Obligations under Subscriptions	667,737	-	404,033	-
General obligation debt	32,643,672	-	35,007,081	-
Net Pension Obligation (WRS)	2,172,926	-	7,808,790	-
Net OPEB liability (District plan)	1,738,139	-	3,190,984	-
Sick leave	3,864,908	-	3,019,419	-
Total noncurrent liabilities	41,100,144	-	49,457,279	-
Total liabilities	59,570,115	67,155	61,045,513	56,251
Deferred inflows of resources:				
Related to OPEB (WRS)	11,618,472	-	16,386,791	-
Related to OPEB (District Plan)	1,324,925	-	542,645	-
Total deferred inflows of resources	12,943,397	-	16,929,436	-
Total liabilities and deferred inflows of resources	72,513,512	67,155	77,974,949	56,251
Net position:				
Net investment in capital assets	26,960,113	-	24,951,349	-
Restricted - nonexpendable	-	4,863,425	-	4,771,294
Restricted for:				
Debt service	8,208,910	-	8,037,369	-
Scholarships and other activities	-	1,419,009	-	809,645
Student and other organizations	504,918	-	525,470	-
Unrestricted	18,497,786	62,757	20,201,230	206,465
Total net position	54,171,727	6,345,191	53,715,418	5,787,404
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 126,685,239	\$ 6,412,346	\$ 131,690,367	\$ 5,843,655

See accompanying notes to the basic financial statements.

Northwood Technical College District

Statements of Revenues, Expenditures, and Changes in Net Position

Years Ended June 30, 2024 and 2023

	2024		2023	
	Primary Government	Component Unit	Restated Primary Government	Component Unit
Operating Revenues:				
Student program fees (tuition) - Net of scholarship allowance of \$3,699,410 and \$4,145,969, respectively	\$ 2,912,802	\$ -	\$ 2,223,842	\$ -
Student material fees - Net of scholarship allowance of \$231,619 and \$249,129, respectively	297,369	-	255,469	-
Other student fees - Net of scholarship allowance of \$253,861 and \$308,720, respectively	490,261	-	439,507	-
Federal grants	10,171,656	-	11,933,530	-
State grants	1,255,296	-	1,187,520	-
Business and industry contract revenue	3,168,552	-	2,531,736	-
Auxiliary enterprise revenue	1,305,185	-	1,280,450	-
Miscellaneous	2,954,667	1,192,106	819,365	486,710
Total operating revenues	22,555,788	1,192,106	20,671,419	486,710
Operating Expenses:				
Instruction	36,046,425	-	32,571,184	-
Instructional resources	1,700,002	-	1,708,611	-
Student services	6,392,873	-	7,209,460	-
General institutional	9,162,616	1,421,022	10,698,658	503,338
Physical plant	3,924,023	-	1,880,690	-
Auxiliary services	1,483,461	-	873,558	-
Depreciation and amortization	7,171,327	-	5,812,685	-
Student aid	3,211,203	-	2,799,481	-
Total operating expenses	69,091,930	1,421,022	63,554,327	503,338
Operating loss	(46,536,142)	(228,916)	(42,882,908)	(16,628)
Nonoperating revenues (expenses):				
Property taxes	13,917,800	-	13,168,841	-
State nonoperating appropriations	32,964,525	-	32,997,230	-
CARES Act funding	-	-	23,954	-
Investment income earned	1,206,301	786,703	951,534	416,581
Interest expense	(778,843)	-	(753,893)	-
Gain (loss) on disposal of capital assets	(317,332)	-	77,573	-
Total nonoperating revenues (expenses)	46,992,451	786,703	46,465,239	416,581
Change in net position	456,309	557,787	3,582,331	399,953
Net position- Beginning of year, as previously reported	53,715,418	5,787,404	49,454,054	5,387,451
Restatement for adoption of GASB 101	-	-	679,033	-
Net position- Beginning of year, as restated	53,715,418	5,787,404	50,133,087	5,387,451
Net position - End of year	\$ 54,171,727	\$ 6,345,191	\$ 53,715,418	\$ 5,787,404

See accompanying notes to financial statements.

Northwood Technical College District

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	Restated 2023
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Tuition and fees received	\$ 5,806,710	\$ 4,131,104
Federal and state grants received	17,069,508	12,601,461
Business, industry, and school district contract revenues	2,951,329	2,034,670
Payments to employees	(42,650,430)	(38,328,534)
Payments for materials and services	(23,554,998)	(16,509,321)
Other receipts	2,147,653	989,860
Net cash from operating activities	(38,230,228)	(35,080,760)
Cash flows from noncapital financing activities:		
Local property taxes	13,462,960	13,221,863
CARES Act funding	-	23,954
Increase in due from other funds	972,228	(972,228)
State appropriations	32,964,525	32,997,230
Net cash from noncapital financing activities	47,399,713	45,270,819
Cash flows from capital and related financing activities:		
Purchases of capital assets	(7,246,470)	(11,947,109)
Proceeds from sale of capital assets	35,818	77,573
Proceeds from issuance of capital debt	5,325,000	5,100,000
Principal paid on capital debt	(7,555,000)	(7,190,000)
Principal paid on leases	(14,051)	(13,894)
Interest paid on leases	(405)	(562)
Premium received on debt issuance	203,223	233,424
Principal paid on subscription liability	(398,207)	(280,621)
Interest paid on subscription liability	(14,918)	(4,364)
Interest and fiscal charges paid on capital debt	(950,018)	(896,161)
Net cash from capital and related financing activities	(10,615,028)	(14,921,714)
Cash flows from investing activities:		
Investment income received	1,206,301	951,534
Net increase (decrease) in cash and investments	(239,242)	(3,780,121)
Cash and cash equivalents - Beginning of year	31,002,920	34,783,041
Cash and cash equivalents - End of year	\$ 30,763,678	\$ 31,002,920

Northwood Technical College District

Statements of Cash Flows (Continued)

Years Ended June 30, 2024 and 2023

	2024	2023
Reconciliation of operating loss to net cash from operating activities:		
Operating loss	\$ (46,536,142)	\$ (42,882,908)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	7,171,327	5,812,685
Change in assets, liabilities, deferred outflows and inflows of resources:		
(Increase) decrease in assets/deferred outflows of resources:		
Accounts receivable	(802,725)	(853,260)
Inventories	194,557	(19,659)
Prepaid expenses	(283,395)	19,926
Net pension asset (WRS)	-	12,147,023
Deferred outflows of resources related to OPEB (District plan)	1,715,906	1,843,924
Deferred outflows of resources related to pensions (WRS)	9,948,351	(5,526,681)
Increase (decrease) in liabilities/deferred inflows of resources:		
Accounts payable	15,863	(844,988)
Accrued payroll, payroll taxes, and insurance	735,649	(429,804)
Accrued vacation	(448,502)	56,450
Unearned revenue	222,137	(61,064)
Net OPEB liability (District Plan)	(1,452,845)	(306,318)
Net pension liability (WRS)	(5,635,864)	7,808,790
Sick leave	911,495	638,492
Deferred inflows of resources related to OPEB (District plan)	782,280	(194,946)
Deferred inflows of resources related to pensions (WRS)	(4,768,320)	(12,288,422)
Net cash from operating activities	\$ (38,230,228)	\$ (35,080,760)

See accompanying notes to financial statements.

Northwood Technical College District

Fiduciary Funds – Northwood Tech Postemployment Benefits Trust

Statements of Net Position

Years Ended June 30, 2024 and 2023

	2024	2023
Assets:		
Cash and investments	\$ 3,790,954	\$ 5,268,895
Liabilities		
Due to other funds	\$ -	\$ 972,228
Total liabilities	-	972,228
Net Position:		
Net position available for benefits	\$ 3,790,954	\$ 4,296,667

See accompanying notes to the basic financial statements.

Northwood Technical College District

Fiduciary Funds- Northwood Tech Postemployment Benefits Trust

Statement of Changes in Net Position

Years Ended June 30, 2024 and 2023

	2024	2023
Additions		
Employer contributions	\$ 365,000	\$ 365,000
Interest	297,139	186,114
Total additions	662,139	551,114
Deductions		
Administrative expense	16,705	14,965
Benefit paid	1,151,147	1,305,157
Total deductions	1,167,852	1,320,122
Change in net position	(505,713)	(769,008)
Net position - Beginning of year	4,296,667	5,065,675
Net position - End of year	\$ 3,790,954	\$ 4,296,667

See accompanying notes to the basic financial statements.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

The financial statements of the Northwood 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 College are described below.

Reporting Entity

The Northwood Technical College District was organized in 1972 under state legislation enacted in 1911 establishing vocational, technical and adult education. The District is fully accredited by the Higher Learning Commission of the North Central Association Commission on Accreditation. The geographic area of the District is comprised of all or part of 11 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 and a comprehensive adult education program.

As the District's governing authority, the Board's powers include:

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

The accompanying financial statements present the activities of the Northwood Technical College District. Accounting principles generally accepted in the United States require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the financial statements.

The Northwood Technical College District 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. Since the financial resources of the Foundation are significant to the District as a whole, the Foundation is presented as a discretely presented component unit of the District. Separately issued financial statements of the Foundation may be obtained from the Foundation Administrative Office.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncement

Management has adopted new accounting guidance, GASB Statement No. 100, Accounting Changes and Error Corrections, which enhances accounting and financial reporting requirements for accounting changes and error corrections, including changes to or within the financial reporting entity. The District implemented this guidance as of July 1, 2023. The implementation of this guidance did not affect beginning net position for the year ended June 30, 2024.

Management has also adopted new accounting guidance GASB Statement No. 101, *Compensated Absences*, which required updating the recognition and measurement of compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The District implemented this guidance effective July 1, 2022. The implementation of this guidance resulted in a restatement of the beginning net position of the District. See note 18 for more information.

Measurement Focus and Basis of Accounting and Financial Statement Presentation

The District's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, assets, deferred outflows of resources, liabilities and deferred inflows of resources 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, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is 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.

Use of Estimates

The preparation of accompanying financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that directly affect the results of reported assets deferred outflows of resources; liabilities; deferred inflows of resources; revenues, and expenses. Actual results may differ from these estimates.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 six months or less from date of acquisition.

State Statutes permit the District to invest available cash balances in time deposits of authorized depositories, U.S. Treasury obligations, U.S. government agency issues, municipal obligations of Wisconsin municipal entities, 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 Wisconsin Investment Series Cooperative and the Local Government Investment Pool, which are reported at amortized cost. Investment income includes changes in fair value of investments, interest, and realized gains and losses.

Receivables

All accounts receivable are shown at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as quoted market prices in active markets that are either assets or liabilities; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on techniques that maximize the use of relevant observable inputs and minimized the use of unobservable inputs.

Inventories and Prepaid Expense

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 the individual inventory items are consumed rather than when purchased. Prepaid expenses represent payments made by the District for which benefits extend beyond June 30.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 mid-year convention over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared no longer needed by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 3 to 7 years for equipment, 15 years for site improvements, 20 years for remodeling and 40 years for buildings.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized.

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

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is dependent upon the event or circumstance in which the impairment occurred. Impairment losses, if any, are recorded in the statements of revenues, expenses, and changes in net position. There were no impairment losses recorded in the year ended June 30, 2024 and 2023.

Lease Accounting

The District is a lessee in multiple noncancelable operating leases. If the contract provides the District the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred. The ROU assets for the leases are amortized on a straight-line basis over the life of the related lease.

The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the District's incremental borrowing rate. The District's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

Northwood Technical College District

Notes to the Basic 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. At this time, the District has two items that qualify for reporting in this category. The deferred outflows of resources related to pensions represents the District's proportionate share of collective deferred outflows of resources related to pensions and District contributions to pension plans subsequent to the measurement date of the collective net pension liability (asset). The deferred outflows of resources related to OPEB represent the differences between expected and actual experience, changes in assumptions used, and the net difference between projected and actual earnings on OPEB plan investments used in the calculation of the total OPEB liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At this time, the District has two items that qualify for reporting in this category. The deferred inflows of resources related to pensions represents the District's proportionate share of the collective deferred inflows of resources related to pensions. The deferred inflows of resources related to OPEB represent changes in assumptions used in the calculation of the total OPEB liability.

Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts

Vacation - District employees are granted vacation in varying amounts, based on length of service and staff classifications. Vacation not used by June 30 of the fiscal year will be moved into a reserve bank up to the designated limit. The Reserve bank may only be used for leave under FMLA and post-employment retirement medical benefit. Liabilities for vacation and salary-related payments, including social security taxes, are recorded when incurred.

Sick Leave - The District's policy allows employees to earn varying amounts of sick pay based on the length of service and staff classification. The accumulated sick leave does not vest unless criteria are met for payment upon retirement as described in Note 10. Amounts have been recorded consistent with the compensated absences reporting standards of GASB Statement No. 101, Accounting for Compensated Absences.

Postemployment Benefits Other Than Pension Benefits - For purposes of measuring the net OPEB liability (asset), 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.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Pensions

The fiduciary net position of the Wisconsin Retirement System (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/deduction 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.

Restricted Assets

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

Net Position

Net position is classified according to restrictions or availability of assets for District obligations. Net investment in capital assets, consists of capital assets, lease assets, and subscription based IT arrangement (SBITA) assets, net of accumulated depreciation and amortization, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets, lease assets, or SBITA 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 does 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.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property Tax Levy (Continued)

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, and 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.

	2024	2023
Operating purposes	\$ 0.10249	\$ 0.10671
Debt service requirements	0.14907	0.16643
Totals	\$ 0.25156	\$ 0.27314

State and Federal Revenues

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

Tuition and Fees

Student tuition and fees are recorded, net of scholarships, as revenue 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.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 aid (loans, funds provided to students as awarded by third parties, and Federal Direct Lending) 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 basic financial statements as operating expenses or scholarship allowances, which reduce revenues. 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.

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.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 2: Cash and Investments

Deposits

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2024, none of the District's bank balance of \$3,636,059 was exposed to custodial credit risk.

Investments

Interest Rate Risk - 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 Statute limits the maturity of commercial paper and corporate bonds to not more than seven years.

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

The chart below summarizes the credit quality of the District's holdings:

Investment Type	Credit Rating	Fair Value
Equity mutual funds	N/A	\$ 1,042,114
Bond mutual funds	N/A	2,406,420
Money market mutual funds	Not rated	342,420
WISC Investment Series Cooperative - Investment Series	AAAm	4,575,439
Wisconsin Local Government Investment Pool	N/A	<u>23,463,169</u>
		<u>\$ 31,829,562</u>

Northwood Technical College District

Notes to the Basic Financial Statements

Note 2: Cash and Investments (Continued)

The Wisconsin Investment Series Cooperative (WISC) was created in 1988 and is a comprehensive cash management program exclusively for Wisconsin school districts, technical college districts, municipalities, and other public entities. An investment in the fund represents an undivided beneficial ownership interest in the assets of WISC and the securities and investments in which the assets of WISC are invested. WISC was established pursuant to an Intergovernmental Cooperation Agreement under the Wisconsin intergovernmental cooperation statute, Wisconsin Statutes, Section 66.0301. WISC is governed by a commission (the "Commission") in accordance with the terms of the Intergovernmental Cooperation Agreement. The Commission has full power, control and authority (including delegative authority) over the affairs, investments and assets of the fund. WISC currently consists of the Cash Management Series and the Investment Series. Each of these series is invested in a separate portfolio of permitted investments. The WISC is not registered with the Securities Exchange Commission (SEC) as an investment company. The WISC reports to participants on the amortized cost basis. The 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 investment in WISC is not subject to the fair value hierarchy disclosures. Annually audited financial statements of WISC are provided to all participants.

The District is a participant in the Wisconsin Local Government Investment Pool (LGIP) which is authorized in Wisconsin Statutes 25.14 and 25.17 under the oversight of the State of Wisconsin Investment Board. The LGIP is not registered with the SEC as an investment company. The LGIP operates and reports to participants on the amortized cost basis. The LGIP shares are bought and redeemed at \$1 based on the amortized cost of the investments in the LGIP. The investment in the LGIP is not subject to the fair value hierarchy disclosures.

The District's cash and investment balances at June 30 were as follows:

	Maturity	2024	2023
Wisconsin Investment Series Cooperative Investment Series	<1 year	\$ 4,575,439	\$ 1,434,266
Wisconsin Local Government Investment Pool	<1 year	23,463,169	24,688,344
Mutual funds:			
Equity		1,042,114	1,530,596
Bond		2,406,420	3,350,529
Money Market		342,420	387,770
Total investments (considered cash equivalents)		31,829,562	31,391,505
Cash deposits with financial institutions carrying amount		2,719,116	4,874,275
Petty cash		5,954	6,035
Less: Cash and investments held by fiduciary funds		(3,790,954)	(5,268,895)
Cash and investments reported on statements of net position		\$ 30,763,678	\$ 31,002,920

Northwood Technical College District

Notes to the Basic Financial Statements

Note 2: Cash and Investments (Continued)

The following table presents the assets measured at fair value other than those measured at amortized cost or net asset value (NAV), at June 30:

	2024		
	Level 1	Level 2	Total
Equity mutual funds	\$ -	\$ 1,042,114	\$ 1,042,114
Bond mutual funds	-	2,406,420	2,406,420
Total cash and investments	\$ -	\$ 3,448,534	\$ 3,448,534

The District's investments in WISC and LGIP are measured at amortized cost, which approximates fair value. The District's investment in the money market mutual funds is measured at NAV.

Cash and investments are classified as follows on June 30:

	2024	2023
Restricted for:		
Debt service	\$ 8,457,178	\$ 8,263,541
Capital projects	5,568,280	6,348,886
Total restricted	14,025,458	14,612,427
Unrestricted	16,738,220	16,390,493
Total cash and investments	\$ 30,763,678	\$ 31,002,920

Note 3: Accounts Receivable

Accounts receivable consisted of the following on June 30:

	2024	2023
Student tuition and fees	\$ 642,109	\$ 494,335
Intergovernmental	1,015,922	658,478
Contracted services	1,360,298	1,143,075
Other	197,250	116,967
Totals	\$ 3,215,579	\$ 2,412,855

Northwood Technical College District

Notes to the Basic Financial Statements

Note 4: Capital Assets

Capital asset balances and activity were as follows for the year ended June 30, 2024:

	2024			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated/amortized:				
Land	\$ 627,114	\$ -	\$ -	\$ 627,114
Construction in progress	-	1,781,092	-	1,781,092
Subscription asset development	1,866,336	538,084	-	2,404,420
Total capital assets not being depreciated/amortized	2,493,450	2,319,176	-	4,812,626
Capital assets being depreciated/amortized:				
Site Improvements	5,369,137	9,975	-	5,379,112
Buildings and Improvements	90,999,886	318,389	-	91,318,275
Equipment	36,719,767	4,517,431	661,713	40,575,485
Lease asset	70,277	-	-	70,277
Subscription asset	1,038,676	883,703	97,388	1,824,991
Total capital assets being depreciated/amortized	134,197,743	5,729,498	759,101	139,168,140
Less accumulated depreciation/amortization for:				
Site Improvements	2,594,781	304,370	-	2,899,151
Buildings and improvements	45,485,902	2,668,039	-	48,153,941
Equipment	25,959,684	3,747,675	308,563	29,398,796
Lease asset	29,675	14,056	-	43,731
Subscription asset	348,598	437,187	97,388	688,397
Total accumulated depreciation/amortization	74,418,640	7,171,327	405,951	81,184,016
Total capital assets, being depreciated/amortized - Net of accumulated depreciation/amortization	59,779,103	(1,441,829)	353,150	57,984,124
Capital assets - Net	\$ 62,272,553	\$ 877,347	\$ 353,150	\$ 62,796,750

Northwood Technical College District

Notes to the Basic Financial Statements

Note 4: Capital Assets (Continued)

Capital asset balances and activity were as follows for the year ended June 30, 2023:

	2023			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated/amortized:				
Land	\$ 211,276	\$ 415,838	\$ -	\$ 627,114
Construction in progress	1,891,929	-	1,891,929	-
Subscription asset development	-	1,866,336	-	1,866,336
Total capital assets not being depreciated/amortized	2,103,205	2,282,174	1,891,929	2,493,450
Capital assets being depreciated/amortized:				
Site Improvements	5,150,181	218,956	-	5,369,137
Buildings and Improvements	86,225,438	4,774,448	-	90,999,886
Equipment	31,727,551	6,514,635	1,522,419	36,719,767
Lease asset	70,277	-	-	70,277
Subscription asset	127,170	911,506	-	1,038,676
Total capital assets being depreciated	123,300,617	12,419,545	1,522,419	134,197,743
Less accumulated depreciation/amortization:				
Site Improvements	2,300,632	294,149	-	2,594,781
Buildings and improvements	42,967,072	2,518,830	-	45,485,902
Equipment	24,776,098	2,706,005	1,522,419	25,959,684
Lease asset	15,620	14,055	-	29,675
Subscription asset	68,953	279,645	-	348,598
Total accumulated depreciation/amortization	70,128,375	5,812,684	1,522,419	74,418,640
Total capital assets, being depreciated/amortized - Net of accumulated depreciation/amortization	53,172,242	6,606,861	-	59,779,103
Capital assets - Net	\$ 55,275,447	\$ 8,889,035	\$ 1,891,929	\$ 62,272,553

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations

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

	Restated Balance 7/1/2023	Additions	Reductions	Balance 6/30/2024	Amounts Due Within One Year
General obligation notes	\$ 41,685,000	\$ 5,325,000	\$ 7,555,000	\$ 39,455,000	\$ 7,690,000
Premium on general obligation notes	877,081	203,223	201,632	878,672	-
Sick leave	3,055,195	1,247,632	336,136	3,966,691	101,783
Lease obligations	41,024	-	14,051	26,973	14,211
Subscription liabilities	640,276	815,287	411,291	1,044,272	376,535
Totals	\$ 46,298,576	\$ 7,591,142	\$ 8,518,110	\$ 45,371,608	\$ 8,182,529

	Restated Balance 7/1/2022	Additions	Reductions	Restated 6/30/2023	Restated Amounts Due Within One Year
General obligation notes	\$ 43,775,000	\$ 5,100,000	\$ 7,190,000	\$ 41,685,000	\$ 7,555,000
Premium on general obligation notes	824,171	233,425	180,515	877,081	-
Sick leave	2,416,703	638,492	-	3,055,195	35,777
Lease obligations	54,918	-	13,894	41,024	14,052
Subscription liabilities	58,217	862,680	280,621	640,276	236,243
Totals	\$ 47,129,009	\$ 6,834,597	\$ 7,665,030	\$ 46,298,576	\$ 7,841,072

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt is comprised of the following individual issues at June 30:

	2024	2023
General Obligation Series 2015D, US Bank Corporate Trust Services Issued: December 7, 2015 / Maturity: October 1, 2025 Amount: \$5,160,000 Interest: 1.6405482% paid semiannually on April 1 and October 1 Annual principal payments: \$435,000 to \$635,000 Purpose: Construction, remodeling, and equipment	\$ 930,000	\$ 1,380,000
General Obligation Series 2016A, US Bank Corporate Trust Services Issued: March 14, 2016 / Maturity: October 1, 2025 Amount: \$3,400,000 Interest: 1.395551% paid semiannually on April 1 and October 1 Annual principal payments: \$395,000 to \$455,000 Purpose: Construction, remodeling, and equipment	900,000	1,340,000
General Obligation Series 2016B, US Bank Corporate Trust Services Issued: April 14, 2016 / Maturity: October 1, 2025 Amount: \$2,035,000 Interest: 1.444455% paid semiannually on April 1 and October 1 Annual principal payments: \$40,000 to \$320,000 Purpose: Construction, remodeling, and equipment	635,000	945,000
General Obligation Series 2016C, US Bank Corporate Trust Services Issued: May 12, 2016 / Maturity: October 1, 2025 Amount: \$1,500,000 Interest: 1.470865% paid semiannually on April 1 and October 1 Annual principal payments: \$240,000 to \$260,000 Purpose: Construction remodeling	515,000	765,000
Obligation Series 2016D, US Bank Corporate Trust Services Issued: June 6, 2016 / Maturity: October 1, 2025 Amount: \$1,500,000 Interest: 1.388482% paid semiannually on April 1 and October 1 Annual principal payments: \$240,000 to \$265,000 Purpose: Construction remodeling	520,000	770,000

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

	2024	2023
General Obligation Series 2016E, US Bank Corporate Trust Services Issued: June 30, 2016 / Maturity: October 1, 2025 Amount: \$1,500,000 Interest: 1.421840% paid semiannually on April 1 and October 1 Annual principal payments: \$240,000 to \$265,000 Purpose: Construction remodeling	\$ 520,000	\$ 770,000
General Obligation Series 2017A, US Bank Corporate Trust Services Issued: March 21, 2017 / Maturity: October 1, 2026 Amount: \$6,545,000 Interest: 1.8264558% paid semiannually on April 1 and October 1 Annual principal payments: \$100,000 to \$1,805,000 Purpose: Construction, remodeling, and equipment	1,545,000	2,040,000
General Obligation Series 2017B, US Bank Corporate Trust Services Issued: December 29, 2017 / Maturity: October 1, 2027 Amount: \$2,750,000 Interest: 2.035455% paid semiannually on April 1 and October 1 Annual principal payments: \$285,000 to \$630,000 Purpose: Construction, remodeling, and equipment	1,215,000	1,500,000
General Obligation Series 2018A, US Bank Corporate Trust Services Issued: May 7, 2018 / Maturity: October 1, 2026 Amount: \$3,750,000 Interest: 2.3089620% paid semiannually on April 1 and October 1 Annual principal payments: \$485,000 to \$765,000 Purpose: Construction, remodeling, and equipment	1,500,000	2,265,000
General Obligation Series 2018B, US Bank Corporate Trust Services Issued: June 11, 2018 / Maturity: October 1, 2024 Amount: \$1,500,000 Interest: 2.520777% paid semiannually on April 1 and October 1 Annual principal payments: \$740,000 to \$760,000 Purpose: Construction, remodeling, and equipment	760,000	1,500,000
General Obligation Series 2018C, US Bank Corporate Trust Services Issued: December 28, 2018 / Maturity: October 1, 2027 Amount: \$3,000,000 Interest: 2.4873101% paid semiannually on April 1 and October 1 Annual principal payments: \$100,000 to \$430,000 Purpose: Construction, remodeling, and equipment	1,250,000	1,680,000

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

	2024	2023
General Obligation Series 2019A, US Bank Corporate Trust Services Issued: May 6, 2019 / Maturity: October 1, 2027 Amount: \$1,500,000 Interest: 2.032409% paid semiannually on April 1 and October 1 Annual principal payments: \$280,000 to \$320,000 Purpose: Construction remodeling	\$ 1,220,000	\$ 1,500,000
General Obligation Series 2019B, US Bank Corporate Trust Services Issued: June 10, 2019 / Maturity: October 1, 2027 Amount: \$1,000,000 Interest: 1.863863% paid semiannually on April 1 and October 1 Annual principal payments: \$155,000 to \$180,000 Purpose: Construction remodeling	685,000	845,000
General Obligation Series 2019C, US Bank Corporate Trust Services Issued: July 29, 2019 / Maturity: October 1, 2025 Amount: \$1,500,000 Interest: 1.650249% paid semiannually on April 1 and October 1 Annual principal payments: \$350,000 to \$415,000 Purpose: Construction remodeling	790,000	1,150,000
General Obligation Series 2019D, US Bank Corporate Trust Services Issued: December 30, 2019 / Maturity: October 1, 2027 Amount: \$2,910,000 Interest: 1.356674% paid semiannually on April 1 and October 1 Annual principal payments: \$180,000 to \$530,000 Purpose: Construction, remodeling and equipment	1,410,000	1,920,000
General Obligation Series 2020A, US Bank Corporate Trust Services Issued: June 30, 2020 / Maturity: October 1, 2028 Amount: \$4,000,000 Interest: 0.9222098% paid semiannually on April 1 and October 1 Annual principal payments: \$450,000 to \$550,000 Purpose: Construction, remodeling, site improvements and equipment	2,610,000	3,090,000
General Obligation Series 2020B, US Bank Corporate Trust Services Issued: December 7, 2020 / Maturity: October 1, 2028 Amount: \$4,075,000 Interest: 0.6409340% paid semiannually on April 1 and October 1 Annual principal payments: \$200,000 to \$890,000 Purpose: Construction, remodeling, site improvements and equipment	3,045,000	3,875,000

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

	2024	2023
General Obligation Series 2021A, US Bank Corporate Trust Services Issued: June 30, 2021 / Maturity: October 1, 2028 Amount: \$3,000,000 Interest: 1.0684636% paid semiannually on April 1 and October 1 Annual principal payments: \$200,000 to \$890,000 Purpose: Construction, remodeling, site improvements and equipment	\$ 3,000,000	\$ 3,000,000
General Obligation Series 2021B, US Bank Corporate Trust Services Issued: December 7, 2021 / Maturity: October 1, 2029 Amount: \$4,750,000 Interest: 1.1311331% paid semiannually on April 1 and October 1 Annual principal payments: \$100,000 to \$900,000 Purpose: Construction, remodeling, site improvements and equipment	4,650,000	4,750,000
General Obligation Series 2022A, US Bank Corporate Trust Services Issued: June 7, 2022 / Maturity: October 1, 2030 Amount: \$1,500,000 Interest: 2.9144450% paid semiannually on April 1 and October 1 Annual principal payments: \$170,000 to \$205,000 Purpose: Construction, remodeling, site improvements and equipment	1,330,000	1,500,000
General Obligation Series 2022B, US Bank Corporate Trust Services Issued December 13, 2022 / Maturity: October 1, 2030 Amount: \$3,600,000 Interest: 3.0326750% paid semiannually on April 1 and October 1 Annual principal payments: \$275,000 to \$630,000 Purpose: Construction, remodeling, site improvements and equipment	3,600,000	3,600,000
General Obligation Series 2023A, US Bank Corporate Trust Services Issued: May 5, 2023 / Maturity: October 1, 2031 Amount: \$1,500,000 Interest: 3.5004612% paid semiannually on April 1 and October 1 Annual principal payments: \$100,000 to \$235,000 Purpose: Construction, remodeling, site improvements and equipment	1,500,000	1,500,000
General Obligation Series 2023B, US Bank Corporate Trust Services Issued: December 19, 2023 / Maturity: October 1, 2029 Amount: \$2,690,000 Interest: 3.1206059% paid semiannually on April 1 and October 1 Annual principal payments: \$625,000 to \$720,000 Purpose: Construction, remodeling, site improvements and equipment	2,690,000	-

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

	2024	2023
General Obligation Series 2024A, US Bank Corporate Trust Services Issued: March 26, 2024/ Maturity: October 1, 2030 Amount: \$2,635,000 Interest: 2.8188241% paid semiannually on April 1 and October 1 Annual principal payments: \$490,000 to \$565,000 Purpose: Construction, remodeling, site improvements and equipment	\$ 2,635,000	\$ -
Total general obligation debt	\$ 39,455,000	\$ 41,685,000

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 \$56,148,120,853)	\$ 2,807,406,043
Less: Long-term debt applicable to debt margin	(39,455,000)
Plus: Restricted net position available for debt service	8,208,910
Margin of indebtedness	\$ 2,776,159,953

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 in the District. This limit was \$1,122,962,417 at June 30, 2024. The District had no outstanding bonded indebtedness.

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

Year Ended June 30,	Principal	Interest	Totals
2025	\$ 7,690,000	\$ 662,353	\$ 8,352,353
2026	8,005,000	495,089	8,500,089
2027	6,675,000	339,256	7,014,256
2028	6,590,000	222,275	6,812,275
2029	5,415,000	124,213	5,539,213
2030-2032	5,080,000	93,988	5,173,988
Totals	\$ 39,455,000	\$ 1,937,174	\$ 41,392,174

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

Lease Liabilities

The District, as a lessee, has entered into lease agreements with Quaident Leasing USA involving postage machines at four locations, New Richmond, Rice Lake, Ashland, and Superior. The lease term is for 5 years. The lease liabilities were measured at a discount rate of 1.13%. The lease will expire on March 23, 2026 for New Richmond and Rice Lake, June 17, 2026 for Superior, and July 7, 2026 for Ashland.

Future minimum lease payments were as follows for the year ended June 30, 2024:

	Principal	Interest	Total
2025	\$ 14,211	\$ 245	\$ 14,456
2026	12,095	84	12,179
2027	666	2	668
Totals	\$ 26,972	\$ 331	\$ 27,303

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

Subscription Liabilities

The District has entered into the following noncancelable SBITA agreements with third parties.

	2024	2023
Panopto Issuance: October 1, 2021 / End: September 30, 2024 Amount: \$47,482 discounted at 4.00%	\$ -	\$ 16,806
Maxient LLC Issuance: November 1, 2022 / End: October 31, 2027 Amount: \$27,779 discounted at 4.00%	16,651	21,779
ESM Solutions Corporation Issuance: September 30, 2022 / End: September 29, 2025 Amount: \$45,583 discounted at 4.00%	15,187	29,789
VelocityEHS Issuance: December 18, 2022 / End: December 17, 2025 Amount: \$6,168 discounted at 4.00%	2,055	4,031
Blackboard Inc. Issuance: December 27, 2022 / End: December 27, 2025 Amount: \$136,628 discounted at 4.00%	45,519	89,288
iCIMS, Inc. Issuance September 30, 2022 / End: September 29, 2028 Amount: \$222,541 discounted at 4.00%	152,800	184,550
Oracle America Inc. Issuance: July 1, 2022 / End: June 30, 2025 Amount: \$56,270 discounted at 4.00%	19,315	37,876

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

	2024	2023
<p>Augusoft, Inc.</p> <p>Issuance: September 1, 2022 / End: August 31, 2025</p> <p>Amount: \$240,123 discounted at 4.00%</p>	\$ 80,000	\$ 156,923
<p>Anthology Inc.</p> <p>Accreditation Module</p> <p>Issuance: July 1, 2022 / End: June 30, 2024</p> <p>Amount: \$66,761 discounted at 4.00%</p>	54,669	59,886
<p>Anthology Inc.</p> <p>Occupation Insight Module</p> <p>Issuance: July 1, 2022 / End: June 30, 2032</p> <p>Amount: \$43,127 discounted at 4.00%</p>	34,988	38,327
<p>TCP</p> <p>TimeClock Plus</p> <p>Issuance: July 1, 2023 / End: June 30, 2028</p> <p>Amount: \$115,230 discounted at 4.13%</p>	90,282	-
<p>AkitaBox</p> <p>Facilities Management Software</p> <p>Issuance: February 1, 2024 / End: January 30, 2029</p> <p>Amount: \$169,262 discounted at 3.83%</p>	134,195	-
<p>Microsoft Azure SaaS</p> <p>Virtual Machines</p> <p>Issuance: June 25, 2024/ End: June 25, 2027</p> <p>Amount: \$52,134 discounted at 4.35%</p>	37,893	-
<p>Talent Development SAAS</p> <p>Cornerstone</p> <p>Issuance: June 30, 2024/ End: June 29, 2027</p> <p>Amount: \$57,137 discounted at 4.52%</p>	37,719	-
<p>Content Anytime Public Sector</p> <p>Cornerstone</p> <p>Issuance: June 30, 2024/ End: June 29, 2027</p> <p>Amount: \$48,539 discounted at 4.52%</p>	31,639	-

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

	2024	2023
Rave		
Rave Mobile Safety		
Issuance: April 15, 2024/ End: April 15, 2029		
Amount: \$24,584 discounted at 4.65%	\$ 19,210	\$ -
Touchnet		
Touchnet Information Systems		
Issuance: October 1, 2023 / End: October 30, 2027		
Amount: \$348,401 discounted at 4.72%	272,150	-
Totals	\$ 1,044,272	\$ 639,255

Future minimum subscription payments were as follows for the year ended June 30, 2024:

Year Ended June 30,	Principal	Interest	Totals
2025	\$ 376,535	\$ 43,737	\$ 420,272
2026	226,353	28,259	254,612
2027	199,855	18,467	218,322
2028	191,636	10,188	201,824
2029	11,454	1,996	13,450
2030-2033	38,439	3,131	41,570
Totals	\$ 1,044,272	\$ 105,778	\$ 1,150,050

Northwood Technical College District

Notes to the Basic Financial Statements

Note 6: Employee Retirement Plans - Wisconsin Retirement System

Plan Description

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found online at <https://etf.wi.gov/about-eft/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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

Vested participants may retire at or after age 55 (50 for protective occupation employees) 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.

Northwood Technical College District

Notes to the Basic Financial Statements

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

Postretirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2014	4.7 %	25.0 %
2015	2.9 %	2.0 %
2016	0.5 %	(5.0)%
2017	2.0 %	4.0 %
2018	2.4 %	17.0 %
2019	- %	(10.0)%
2020	1.7 %	21.0 %
2021	5.1 %	13.0 %
2022	7.4 %	15.0 %
2023	1.6 %	(21.0)%

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and 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.

During the reporting period, the WRS recognized \$1,961,532 in contributions from the employer.

Northwood Technical College District

Notes to the Basic Financial Statements

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

Contribution rates as of June 30, 2024 and 2023, are as follows:

Employee Category	2024		2023	
	Employee	Employer	Employee	Employer
General (including teachers, executives, and elected officials)	6.90%	6.90%	6.80%	6.80%
Protective with Social Security	6.90%	14.30%	6.80%	13.20%
Protective without Social Security	6.90%	19.10%	6.80%	18.10%

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024 and 2023, the District reported a liability (asset) of \$2,172,926 and \$7,808,790 for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 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 and 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 proportionate share 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, 2023 and 2022, the District's proportion was 0.14614729% and 0.14739953%, which was a decrease of 0.00125224% from its proportion measured as of the prior year.

For the year ended June 30, 2024 and 2023, the District recognized pension expense of \$543,831 and \$3,981,701.

Northwood Technical College District

Notes to the Basic Financial Statements

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

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,761,218	\$ 11,604,288	\$ 12,436,983	\$ 16,339,404
Change in assumptions	947,116	-	1,535,531	-
Net differences between projected and actual earnings on pension plan investments	7,572,297	-	13,265,331	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	93,917	14,184	124,845	47,387
Employer contributions subsequent to the measurement date	999,663	-	959,872	-
Totals	\$ 18,374,211	\$ 11,618,472	\$ 28,322,562	\$ 16,386,791

Deferred outflows 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 subsequent year. 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	Net Deferred Outflows (Inflows) of Resources
2025	\$ 1,190,112
2026	1,256,247
2027	4,766,911
2028	(1,457,194)

Northwood Technical College District

Notes to the Basic Financial Statements

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

Actuarial Assumptions

The total pension liability in the actuarial valuations used for the years ended June 30, 2024 and 2023, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	2023
Actuarial valuation date	December 31, 2022	December 31, 2021
Measurement date of net pension liability (asset)	December 31, 2023	December 31, 2022
Experience study	January 1, 2018- December 31, 2020 Published November 19, 2021	January 1, 2018- December 31, 2020 Published November 19, 2021
Actuarial cost method	Entry Age Normal	Entry Age normal
Asset valuation method	Fair Value	Fair Value
Long-term expected rate of return	6.8%	6.8%
Discount rate	6.8%	6.8%
Salary Increases:		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table	2020 WRS Experience Mortality Table
Postretirement adjustments*	1.7%	1.7%

**No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2023 and 2022, are based upon a rollforward of the liability calculated from the December 31, 2022 and 2021, actuarial valuation.

Northwood Technical College District

Notes to the Basic Financial Statements

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

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

Asset Class	December 31, 2023		
	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund:			
Public Equity	40.0%	7.3%	4.5%
Public Fixed Income	27.0%	5.8%	3.0%
Inflation Sensitive	19.0%	4.4%	1.7%
Real Estate	8.0%	5.8%	3.0%
Private Equity/Debt	18.0%	9.6%	6.7%
Leverage	(12.0)%	3.7%	1.0%
Total core fund	100.0%	7.4%	4.6%
Variable fund :			
U.S. equities	70.0%	6.8%	4.0%
International equities	30.0%	7.6%	4.8%
Total variable fund	100.0%	7.3%	4.5%

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

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.70%

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 up to 20%

Northwood Technical College District

Notes to the Basic Financial Statements

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

Actuarial Assumptions (Continued)

Asset Class	December 31, 2022		
	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund:			
Public equities	48.0%	7.6%	5.0%
Public fixed income	25.0%	5.3%	2.7%
Inflation sensitive assets	19.0%	3.6%	1.1%
Real estate	8.0%	5.2%	2.6%
Private equity/debt	15.0%	9.6%	6.9%
Total core fund	115.0%	7.4%	4.8%
Variable fund:			
U.S. equities	70.0%	7.2%	4.6%
International equities	30.0%	8.1%	5.5%
Total variable fund	100.0%	7.7%	5.1%

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

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

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

Northwood Technical College District

Notes to the Basic Financial Statements

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

Actuarial Assumptions (Continued)

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% (2023) and 6.8% (2022) and a municipal bond rate of 3.77% (2023) and 4.05% (2022). (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 G0 AA Index: as of December 31, 2023 and 2022, respectively." In describing this index, Fidelity notes that the Municipality Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities). Because of the unique structure of the 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 the 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.

Sensitivity of Northwood Tech's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents Northwood Tech's proportionate share of the net pension liability (asset) calculated using the current discount rate of 6.8%, as well as what Northwood Tech'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 (5.8%) or 1 percentage point higher (7.8%) than the current rate:

	2024		2023	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to discount rate	5.8%	\$ 21,002,385	5.8%	\$ 25,917,120
Current discount rate	6.8%	2,172,926	6.8%	7,808,790
1% increase to discount rate	7.8%	(11,002,842)	7.8%	(4,648,187)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Northwood Technical College District

Notes to the Basic Financial Statements

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

Payables to the Pension Plan

At June 30, 2024 and 2023, the District reported a payable of \$308,773 and \$296,812 for the outstanding amount of contributions to the pension plan required for the year ended.

Note 7: Pension Benefits

Faculty, management, office and technical support employees may be eligible to participate in the District's 403(b) match program. Faculty hired prior to January 1, 2008, have the choice to participate in the match by electing a match amount varying from \$0 to \$1,400 per year based upon years of service with a \$9,500 lifetime maximum or 2.0% of base salary without a lifetime maximum. Faculty had until July 1, 2011, to make their choice. Faculty hired on January 1, 2008, or after are eligible for a contribution match up to 2.0% of their base salary with no lifetime maximum, beginning in the third year of employment.

Management employees can elect to participate in the 403(b) match program beginning with the third full year of employment. The match is a dollar-for-dollar match up to 2.0% of their annual base salary. Management employees hired prior to July 1, 1993, may elect to participate in the match program, but will forfeit their eligibility for the Special Early Retirement Program. Management employees hired after July 1, 1993, are not eligible for the Special Early Retirement Program.

Office and technical support employees hired after January 1, 2009, who are eligible for benefits, can elect to participate in the 403(b) match program beginning with the third full year of employment. The match will be a dollar-for-dollar match up to 2.0% of their annualized salary. Eligible employees will elect participation each year.

The District's contributions for this program for the years ending June 30, 2024 and 2023, were \$405,505 and \$331,962, respectively.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 8: Postemployment Benefits Other Than Pension Benefits

In addition to the pension benefits described in Notes 7 and 8, the District provides postemployment health insurance benefits to all eligible staff members based upon the years of service with the District and accumulated sick leave at retirement.

Retiree Health Insurance

The District administers a single-employer defined benefit health care plan. The plan provides funds for medical benefits to eligible retirees and their spouses through the District's group medical insurance plan, which covers both active and retired members. Benefit provisions are established through district policy administered through an employee handbook. The plan does not issue a standalone report. The eligibility requirements are based on the retiree's position, years of service, date of hire, and age at retirement. The benefit to be received by the employee is based on the retiree's position and years of service (if applicable) at retirement.

The Membership of the plan consisted of 96 retirees receiving benefits and 307 active plan members at June 30, 2023, the date of the latest actuarial valuation.

The contribution requirements of plan members are based on district policy as administered through the employee handbook in effect on the date of retirement. The District's contribution is established annually based on an amount to pay current premiums and an additional amount to pre-fund benefits. For fiscal year 2024, the District contributed \$365,000 to the plan, which was all for current benefits. For fiscal year 2023, the District contributed \$365,000 to the plan, which was all for current benefits.

The OPEB plan investment policies and investment disclosures are discussed in Note 1 and Note 2. Currently the plan is invested in various mutual funds. For June 30, 2024 and 2023 the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 6.31% and 3.87%. The money-weighted rate of return expresses the investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net OPEB liability (asset) for the District at June 30, 2024 and 2023, are as follows:

	2024	2023
Total OPEB liability	\$ 5,529,093	\$ 7,487,651
Plan fiduciary net position	3,790,954	4,296,667
Net OPEB liability	<u>\$ 1,738,139</u>	<u>\$ 3,190,984</u>
Plan fiduciary net position as a percentage of the total OPEB liability	68.56%	57.38%

Northwood Technical College District

Notes to the Basic Financial Statements

Note 8: Postemployment Benefits Other Than Pension Benefits (Continued)

Retiree Health Insurance (Continued)

The net OPEB liability was measured as of June 30, 2024 and 2023, the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. Since the District's assets are held mainly as fixed income, the discount rate is reflective of a 20-year AA municipal bond rate as of the measurement date. The actuarial assumptions included an inflation rate of 2.5% at June 30, 2024. The health care trend rate is 7.0% initially decreasing to 6.5%. Mortality assumptions are based on 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 for June 30, 2024 and the Wisconsin 2018 Mortality table adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied 60%) for June 30, 2023.

The long term expected rate of return on OPEB plan investments was determined using the 20-year AA municipal bond rate as of the measurement date.

<u>Asset Class</u>	2024 Long-Term Expected Rate of Return	2023 Long-Term Expected Rate of Return
Savings Account	6.00%	3.50%
Local government bond	6.00%	3.50%
External investment pool	6.00%	3.50%

Changes in the Net OPEB Liability for the year ended June 30, 2024, are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balances at June 30, 2023	\$7,487,651	\$4,296,667	\$3,190,984
Changes for the year:			
Service cost	93,690	-	93,690
Interest	243,562	-	243,562
Differences between expected and actual experience	(727,326)	-	(727,326)
Changes of assumptions or other input	(417,337)	-	(417,337)
Contributions - Employer	-	365,000	(365,000)
Net investment income	-	297,139	(297,139)
Benefit payments	(1,151,147)	(1,151,147)	-
Administrative Expense	-	(16,705)	16,705
Net changes	(1,958,558)	(505,713)	(1,452,845)
Balances at June 30, 2024	\$ 5,529,093	\$ 3,790,954	\$ 1,738,139

Northwood Technical College District

Notes to the Basic Financial Statements

Note 8: Postemployment Benefits Other Than Pension Benefits (Continued)

Retiree Health Insurance (Continued)

Changes in the Net OPEB Liability for the year ended June 30, 2023, are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balances at June 30, 2022	\$8,562,977	\$5,065,675	\$3,497,302
Changes for the year:			
Service cost	90,522	-	90,522
Interest	278,448	-	278,448
Difference between expected and actual experience	(139,139)	-	(139,139)
Contributions - Employer	-	365,000	(365,000)
Net investment income	-	186,114	(186,114)
Benefit payments	(1,305,157)	(1,305,157)	-
Administrative expense	-	(14,965)	14,965
Net changes	(1,075,326)	(769,008)	(306,318)
Balances at June 30, 2023	\$ 7,487,651	\$ 4,296,667	\$ 3,190,984

Northwood Technical College District

Notes to the Basic Financial Statements

Note 8: Postemployment Benefits Other Than Pension Benefits (Continued)

Retiree Health Insurance (Continued)

The following presents the net OPEB liability of the District, calculated using the discount rate of 6.00% (2024) and 3.50% (2023) percent, as of June 30, 2024 and 2023, as well as what the District's 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:

The following presents the liability as of June 30, 2024:

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Total OPEB liability	\$ 5,685,156	\$ 5,529,093	\$ 5,377,951
Fiduciary Net Position	3,790,954	3,790,954	3,790,954
Net OPEB Liability	\$ 1,894,202	\$ 1,738,139	\$ 1,586,997

The following presents the liability as of June 30, 2023:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 7,709,787	\$ 7,487,651	\$ 7,270,773
Fiduciary Net Position	4,296,667	4,296,667	4,296,667
Net OPEB Liability	\$ 3,413,120	\$ 3,190,984	\$ 2,974,106

The following presents the District's net OPEB liability calculated using the healthcare cost trend rate of 7.0% decreasing to 6.5%, then decreasing by 0.10% per year down to 4.5%, and level thereafter for June 30, 2024, and 6.5% decreasing by 0.10% per year down to 5%, and level thereafter for June 30, 2023 as well as what the District's net 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.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 8: Postemployment Benefits Other Than Pension Benefits (Continued)

Retiree Health Insurance (Continued)

The following presents the liability as of June 30, 2024:

	1% Decrease (6.0% decreasing to 3.5%)	Health Care Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB liability	\$ 5,363,738	\$ 5,529,093	\$ 5,693,275
Fiduciary Net Position	3,790,954	3,790,954	3,790,954
Net OPEB liability	\$ 1,572,784	\$ 1,738,139	\$ 1,902,321

The following presents the liability as of June 30, 2023:

	1% Decrease (5.5% decreasing to 4.0%)	Health Care Cost Trend Rates (6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
Total OPEB liability	\$ 7,191,756	\$ 7,487,651	\$ 7,783,431
Fiduciary Net Position	4,296,667	4,296,667	4,296,667
Net OPEB liability	\$ 2,895,089	\$ 3,190,984	\$ 3,486,764

For the year ended June 30, 2024 and 2023, the District recognized OPEB expense of \$1,410,340 and \$1,707,660 respectively.

The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources as of June 30:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 936,864	\$ 1,289,833	\$ 482,226
Change in assumptions or other input	-	388,061	74,786	60,419
Net differences between projected and actual earnings on OPEB plan investments	245,537	-	596,824	-
Total	\$ 245,537	\$ 1,324,925	\$ 1,961,443	\$ 542,645

Northwood Technical College District

Notes to the Basic Financial Statements

Note 8: Postemployment Benefits Other Than Pension Benefits (Continued)

Retiree Health Insurance (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2024 will be recognized in OPEB expense as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2025	\$ (191,470)
2026	(218,329)
2027	(255,871)
2028	(222,939)
2029	(190,777)

At June 30, 2024 and 2023, the District reported a payable of \$0 for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2024 and 2023.

Note 9: Sick Leave

In addition to the other benefits described in Notes 7, 8, and 9, the District makes termination payments to eligible staff members when they retire.

Following are the eligible employee groups and the respective requirements:

Custodians hired on or after 1/1/2008: The employee's hourly rate at time of retirement multiplied by 1.5 times available sick leave hours, which accrue to a maximum of 960 hours, creates a cash pool of dollars to be utilized for medical insurance premiums until the pool exhausts, the employee has 120 months of coverage, or the employee reaches age 70, whichever occurs first. Retiree can choose single, single plus one, or family coverage, and the appropriate premium will be deducted from the pool. Employees must be age 57 1/2, give 6 months' notice, and have 15 continuous years of service.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 9: Sick Leave (Continued)

Faculty hired on or after 1/1/2008: Faculty with 10 or more years of continuous service receive a cash pool of dollars to pay for medical insurance. The pool amount is based on the hourly rate at time of retirement times sick leave hours available to a maximum of 840 hours. A proration factor based on years of service is also included as follows:

- 10 years – 50% of sick leave or maximum of 420 hours, maximum 60 months of coverage
- 11 years – 60% of sick leave or maximum of 504 hours, maximum 72 months of coverage
- 12 years – 70% of sick leave or maximum of 588 hours, maximum 84 months of coverage
- 13 years – 80% of sick leave or maximum of 672 hours, maximum 96 months of coverage
- 14 years – 90% of sick leave or maximum of 756 hours, maximum 108 months of coverage
- 15 years – 100% of sick leave or maximum of 840 hours, maximum 120 months of coverage

The employee must be age 55 and must give notice by January 15 of the calendar year retiring. Retiree can choose single, single plus one, or family coverage, and the appropriate premium will be deducted from the pool. The benefit expires when one of the following occurs: (1) the balance of sick leave hours is exhausted, or (2) the employee reaches age 70.

Managers hired between July 1, 1993, and June 30, 2003: The employee's hourly rate times available sick leave hours accumulated to maximum of 900 hours creates a cash pool to be utilized for medical insurance premiums until the pool exhausts or the employee reaches age 65. If the pool is exhausted prior to age 65, employees receive an additional 36 months if the accumulated sick leave balance was at least 36 days at the time of retirement. Employee must be at least 55 years of age, have 15 years of continuous full time service, and provide 6 months' notice. Retiree can choose single, single plus one, or family coverage, and the appropriate premium will be deducted from the pool.

The liability for these benefits at June 30, 2024 and 2023, is \$3,966,691 and \$3,055,195 respectively.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 10: Risk Management

Districts Mutual Insurance Company (DMI)

In July 2004, all 16 WTCS technical colleges created the Districts Mutual Insurance Company (DMI) (the "Company"). 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; general liability, auto, and educators' legal liability at \$5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

At this time, settled claims have not approached the coverage limits as identified above. The District's exposure in its layer of insurance is limited to \$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 above \$250,000 per occurrence.

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.

For the years ended June 30, 2024 and 2023, the District paid premiums of \$350,088 and \$338,886, respectively. Future premiums will be based on relevant rating exposure bases as well as the historical loss experienced by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the company.

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

Supplemental Insurance

Northwood Technical College is part of the WTCS Insurance Trust that jointly purchases 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 sixteen Wisconsin Technical College System districts.

The WTCS Insurance Trust has purchased the following levels of coverage from commercial carriers for Northwood Technical College:

Crime - \$750,000 coverage for theft, employee dishonesty, forgery, computer fraud, and funds transfer fraud: \$25,000 coverage for investigation expense; \$2,500 deductible for investigation; and \$15,000 deductible for employee dishonesty, forgery and fraud.

Business Travel Accident - Coverage for local Board of Trustee members, \$100,000 for scheduled losses, assistance services, medical evacuation, and repatriation.

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

Northwood Technical College District

Notes to the Basic Financial Statements

Note 11: Subsequent Events

Subsequent events have been evaluated through December 11, 2024, the date the statements were available to be issued.

Note 12: Expense Classification

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

	2024	2023
Salaries and wages	\$ 32,223,534	\$ 30,692,705
Employee benefits	12,292,321	15,614,515
Travel and meetings	1,189,352	1,234,824
Instruction supplies	632,062	759,075
Contracted services	2,450,237	2,189,326
Rentals	67,448	55,385
Insurance	372,206	420,100
Utilities	878,699	951,037
Depreciation	7,171,327	5,812,685
Other	8,472,984	2,896,994
Student aid	3,341,760	2,927,681
Total operating expenses	\$ 69,091,930	\$ 63,554,327

Note 13: Related-Party Transactions

The District is a related party with Northwood Technical College Foundation, Inc. (the "Foundation"). The total expenses (including salaries, benefits, office space, and computer usage) paid by the District for the Foundation were \$66,615 and \$78,488 for the fiscal years ended June 30, 2024 and 2023, respectively. At June 30, 2024 and 2023, there were accounts receivable from the Foundation of \$65,940 and \$45,752, respectively.

The District is a member of the Northwood Technical College, Lakeshore, and Mid-State consortium, a nonprofit organization formed under Section 66.0301 and Chapter 38 of the Wisconsin Statutes. The WILM consortium's purpose is to develop, procure, enhance, and manage a customer-focused, state-of-the-art environment for performing administrative business services for consortium members. It will provide the information service needs of each college for the purpose of improving cost, quality, service, and institutional effectiveness for customers, while meeting federal- and state-mandated requirements. The District's share paid to the consortium was \$589,319 and \$622,152 to cover their expenses for the fiscal years ended June 30, 2024 and 2023, respectively.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 14: Outstanding Contractual Commitments

The District entered into various contracts with construction contractors during the year. The following amounts remain unspent as of June 30, 2024:

Construction Contractors	Amount Remaining
Benson Electric	\$ 15,000
HSR Associates, Inc.	42,705
Wild Blue Technologies	13,400
Tractor Central	29,000
Johnson Controls	13,885
Styker	15,395
Wynn O Jones & Associates, Inc.	40,879
Jefferson Fire & Safety, Inc	18,725
Ewald Automotive Group, LLC	61,316
Rhom Construction, LLC	1,229,669
Trane US	87,990
Bluum of Minnesota	301,377
Anatomy Warehouse	25,389
Industrial Safety, Inc	115,454
Lab Midwest Corp	197,360
River States Truck and Trailer	15,423
Ceresco Consulting	58,800
Insight Public Sector	91,648
Independent Roofing	545,874
Duet Resource Group/DJMI	193,781
Pladson, Inc	60,410
Total	\$ 3,173,480

Northwood Technical College District

Notes to the Basic Financial Statements

Note 15: Self-Funded Insurance

Through December 31, 2022, the District had retained a portion of the risk of loss for its dental care coverage. As of January 1, 2023, the District has retained a portion of the risk of loss only for its health care coverage. A third-party administrator is responsible for the approval, processing, and payment of claims, after which the District is billed for reimbursement. The District has stop-loss coverage for health care coverage, which pays claims in excess of \$100,000 per individual. The aggregate claims limit was \$6,569,261 as of June 30, 2024.

Changes in the claims liability amount for the years ended June 30, were as follows:

	Claims Payable July 1	Claims and Changes in Estimates	Claim Payments	Claims Payable June 30
Year ended June 30, 2024	\$ 305,143	\$ 6,491,645	\$ (6,368,811)	\$ 427,977
Year ended June 30, 2023	\$ 842,457	\$ 5,355,256	\$ (5,892,570)	\$ 305,143
Year ended June 30, 2022	\$ 14,525	\$ 2,896,666	\$ (2,068,734)	\$ 842,457

The claims liabilities of \$427,977 and \$305,143 reported above at June 30, 2024 and 2023, respectively, are based upon the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicated that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. In addition, claims, expenses, and liabilities are reduced by amounts expected to be recovered through excess insurance.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 16: Component Unit

This report contains the Northwood Technical College Foundation, Inc. (the “Foundation”), which is included as a discretely presented component unit. In addition to the basic financial statements, the following disclosures are considered necessary for a fair presentation.

A – Fair Value Measurements

Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active market.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the used of unobservable inputs.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 16: Component Unit (Continued)

Information regarding assets measured at fair value on a recurring basis as of June 30, 2024 and 2023, is as follows:

Assets at Fair Value as of June 30, 2024				
	Recurring Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Investments at fair value:				
Fixed income and debt securities	\$ 640,678	\$ 1,717,075	\$ -	\$ 2,357,753
Equity Securities	1,935,979	-	-	1,935,979
Mutual funds				
Money market	318,810	-	-	318,810
Equity securities	1,742,958	-	-	1,742,958
Total investments at fair value	\$ 4,638,425	\$ 1,717,075	\$ -	\$ 6,355,500

Assets at Fair Value as of June 30, 2023				
	Recurring Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Investments at fair value:				
Fixed income and debt securities	\$ 931,338	\$ 237,526	\$ -	\$ 1,168,864
Mutual funds:				
Money market	365,061	-	-	365,061
Equity securities	2,652,840	-	-	2,652,840
Fixed income and debt securities	1,072,825	-	-	1,072,825
Alternative investments	75,368	-	-	75,368
Total investments at fair value	\$ 5,097,432	\$ 237,526	\$ -	\$ 5,334,958

The methods described above and shown above for fair value calculations may produce a fair value calculation that may be different from the net realizable value or not reflective of future values expected to be received. The Foundation believes that its valuation methods are appropriate and consistent with other market participants; however, the use of these various methodologies and assumptions may produce results that differ in the fair value at the financial reporting date.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 16: Component Unit (Continued)

B – Investments

Fair value of investments at June 30, are as follows:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Investments at fair value:				
Fixed income and debt securities	\$ 2,365,915	\$ 2,357,753	\$ 1,175,426	\$ 1,168,864
Equity securities	1,627,279	1,935,979	-	-
Mutual funds:				
Money market	318,810	318,810	365,061	365,061
Equity securities	1,645,618	1,742,958	1,346,408	2,652,840
Fixed income and debt securities	-	-	1,162,228	1,072,825
Alternative investments	-	-	41,154	75,368
Totals	\$ 5,957,622	\$ 6,355,500	\$ 4,090,277	\$ 5,334,958

Fair value for investments is determined by reference to quoted market prices and other relevant information generated by market transactions.

Return on investment consists of the following at June 30:

	2024	2023
Unrealized gains (losses)	\$ 617,549	\$ 106,623
Realized gains	7,228	212,369
Interest and dividend income	163,600	102,464
Other income	16,161	378
Investment fees	(17,835)	(5,253)
Totals	\$ 786,703	\$ 416,581

Northwood Technical College District

Notes to the Basic Financial Statements

Note 16: Component Unit (Continued)

C- Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at June 30:

	2024	2023
Subject to appropriation and expenditure when a specific event occurs:		
Professional development	\$ 5,145	\$ 5,629
Continuing education	62,525	55,499
Capital and equipment	52,892	55,075
Scholarships	116,494	144,746
Institutional support	45,641	1,643
Student assistance	158,844	104,118
	441,541	366,710
Endowments:		
Subject to appropriation and expenditure when a specific event occurs:		
Restricted by donors for:		
Professional development	15,903	11,496
Scholarships	739,474	286,118
Capital and equipment	1,683	968
Student Assistance	220,408	144,353
	977,468	442,935
Original donor-restricted gift amount and amounts to be maintained in perpetuity	4,863,425	4,771,294
Total net assets with donor restrictions	\$ 6,282,434	\$ 5,580,939

Northwood Technical College District

Notes to the Basic Financial Statements

Note 16: Component Unit (Continued)

D – Endowment Funds

The Foundation's endowment consists of 206 individual funds established for a variety of purposes. As required by generally accepted accounting principles, net position associated with endowment funds is classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net position (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulation to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net position is classified as net position restricted for scholarships and other activities until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purpose of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and fixed income securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distribution, while growing the funds if possible. Therefore, the Foundation expects its endowment assets, over time, to produce an average annual real rate of return of the Consumer Price Index (CPI) + 3-4% net of fees. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy: The spending policy for the Foundation is directed by the Board of Directors. The principal of an endowed fund will be invested for a period of 12 months before any disbursements will be made from interest income. No more than 5% of an endowment will be distributed annually. Administrative expenses, legal, tax and accounting, and investment advisory fees will be paid from unrestricted funds and are not included in the amount designated for disbursement.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 16: Component Unit (Continued)

Endowments that are donor restricted consisted of the following on June 30:

	With Donor Restrictions	
	2024	2023
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 4,863,425	\$ 4,771,294
Underwater endowments	(19,950)	(16,753)
Accumulated investment gains	997,418	459,688
	<u>\$ 5,840,893</u>	<u>\$ 5,214,229</u>

From time to time, certain donor-restricted endowments funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). At June 30, 2024 and June 30, 2023 there were 11 and 30 underwater endowments in the amount of \$19,950 and \$16,753 respectively.

Changes in endowment net assets for the years ended June 30 consisted of the following:

	With Donor Restrictions	
	2024	2023
Endowment net position at beginning of year	\$ 5,214,229	\$ 4,833,255
Investment return	945,251	287,853
Contributions	67,498	69,579
Transfers	70,285	143,883
Appropriations of endowment assets for expenditures	(456,370)	(120,341)
	<u>\$ 5,840,893</u>	<u>\$ 5,214,229</u>

E - Donated Services

The Foundation is furnished salaries, benefits, office space, and computer usage by Northwood Technical College, a related party. The value of these services was \$66,615 and \$78,488 for years ended June 30, 2024 and 2023, respectively. These amounts are recorded in the financial statements as in-kind expenses and in-kind contributions.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 16: Component Unit (Continued)

F – Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2024	2023
Cash and equivalents	\$ 55,094	\$ 505,096
Accounts receivable	1,752	3,601
Investments	6,355,500	5,334,958
Total Financial Assets	6,412,346	5,843,655
Less those available for general expenditure within one year due to:		
Restricted by donor with time or purpose restrictions	(6,282,434)	(5,580,939)
	\$ 129,912	\$ 262,716

The Foundation does not have a formal liquidity policy but generally strives to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

As part of the liquidity management plan, the Foundation invests cash in excess of daily requirements in short-term investments, CDs, and money market funds.

Note 17: Prior Year Restatement

As a result of the implementing GASB Statement No. 101, *Compensated Absences*, beginning net position at June 30, 2022 and 2023, were restated. The District has restated beginning net position as follows:

	2023
Net position as previously reported	\$ 49,454,054
Restatement due to the implementation of GASB No.101	679,033
Net position at June 30, 2022, as restated	\$ 50,133,087

The financial statement lines affected by the application of the new accounting principle are compensated absences, sick leave and instruction operational expense.

Required Supplementary Information

Northwood Technical College District

Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios –District OPEB Plan

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total OPEB liability:					
Service cost	\$ 93,690	\$ 90,522	\$ 127,932	\$ 125,117	\$ 208,623
Interest	243,562	278,448	224,573	250,584	194,787
Change in benefit terms	-	-	(271,082)	-	-
Differences between expected and actual experience	(727,326)	(139,139)	(618,193)	-	6,449,165
Changes of assumptions or other input	(417,337)	-	(100,697)	-	373,926
Benefit payments	(1,151,147)	(1,305,157)	(1,433,239)	(1,633,069)	(1,592,980)
Net change in total OPEB liability	(1,958,558)	(1,075,326)	(2,070,706)	(1,257,368)	5,633,521
Total OPEB liability - Beginning	7,487,651	8,562,977	10,633,683	11,891,050	6,257,529
Total OPEB liability - Ending (a)	\$ 5,529,093	\$ 7,487,651	\$ 8,562,977	\$ 10,633,682	\$ 11,891,050
Plan fiduciary net position:					
Contributions - Employer	\$ 365,000	\$ 365,000	\$ 575,000	\$ 1,625,000	\$ 1,557,684
Net investment income	297,139	186,114	(765,656)	16,159	132,291
Benefit payments	(1,151,147)	(1,305,157)	(1,433,239)	(1,633,069)	(1,592,980)
Administrative expense	(16,705)	(14,965)	(8,585)	-	-
Net change in fiduciary net position	(505,713)	(769,008)	(1,632,480)	8,090	96,995
Plan fiduciary net position - Beginning	4,296,667	5,065,675	6,698,154	6,690,064	6,593,069
Plan fiduciary net position - Ending (b)	\$ 3,790,954	\$ 4,296,667	\$ 5,065,674	\$ 6,698,154	\$ 6,690,064
District's net OPEB (asset) liability - Ending (a) - (b)	\$ 1,738,139	\$ 3,190,984	\$ 3,497,303	\$ 3,935,528	\$ 5,200,986
Plan fiduciary net position as a percentage of the total OPEB liability	68.56%	57.38%	59.16%	62.99%	56.26%
Covered employee payroll	\$25,025,160	\$21,227,735	\$21,227,735	\$20,021,091	\$20,021,091
District's net OPEB liability as a percentage of covered-employee payroll	6.95%	15.03%	16.48%	19.66%	25.98%

Northwood Technical College District

Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios –District OPEB Plan(Continued)

Last 10 Fiscal Years*

	2019	2018	2017
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability:			
Service cost	\$ 579,638	\$ 604,459	\$ 604,459
Interest	516,691	487,913	483,787
Change in benefit terms	(8,014,489)	-	-
Differences between expected and actual experience	-	814,886	-
Changes of assumptions or other input	263,565	(974,879)	-
Benefit payments	(1,152,986)	(1,010,794)	(802,241)
Administrative expense	-	-	-
Net change in total OPEB liability	(7,807,581)	(78,415)	286,005
Total OPEB liability - Beginning	14,065,110	14,143,525	13,857,520
Total OPEB liability - Ending (a)	\$ 6,257,529	\$ 14,065,110	\$ 14,143,525
Plan fiduciary net position:			
Contributions - Employer	\$ 1,293,575	\$ 668,575	\$ 650,000
Net investment income	30,434	21,030	35,172
Benefit payments	(1,152,986)	(1,010,794)	(802,201)
Net change in fiduciary net position	171,023	(321,189)	(117,029)
Plan fiduciary net position - Beginning	6,422,046	6,743,235	6,860,264
Plan fiduciary net position - Ending (b)	\$ 6,593,069	\$ 6,422,046	\$ 6,743,235
District's net OPEB (asset) liability - Ending (a) - (b)	\$ (335,540)	\$ 7,643,064	\$ 7,400,290
Plan fiduciary net position as a percentage of the total OPEB liability	105.36%	45.66%	47.68%
Covered employee payroll	\$22,874,600	\$22,874,600	\$21,099,584
District's net OPEB liability as a percentage of covered-employee payroll	(1.47)%	33.41%	35.07%

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

Northwood Technical College District

Schedule of the Investment Returns – District OPEB Plan

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense*	6.31%	3.87%	(12.82)%	0.27%	2.14%	0.49%	0.35%	6.39%

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

Northwood Technical College District

Schedule of Employer Contributions - District OPEB Plan

Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 362,132	\$ 574,185	\$ 574,185	\$ 869,875	\$ 869,875	\$ 1,017,487	\$ 1,017,487	\$ 1,622,645
Contributions in relation to the actuarially determined contribution	365,000	365,000	575,000	1,625,000	1,557,684	1,293,575	668,575	650,000
Contribution deficiency/(excess)	\$ (2,868)	\$ 209,185	\$ (815)	\$ (755,125)	\$ (687,809)	\$ (276,088)	\$ 348,912	\$ 972,645
Covered employee payroll	\$ 25,025,160	\$ 21,227,735	\$ 21,227,735	\$ 20,021,091	\$ 20,021,091	\$ 22,874,600	\$ 22,874,600	\$ 21,099,584
Contributions as a percentage of covered-employee payroll	1.46 %	1.72 %	2.71 %	8.12 %	7.78 %	5.66 %	2.92 %	3.00 %

Northwood Technical College District

Schedule of Employer Contributions - District OPEB Plan(Continued)

Notes to Schedule:

Valuation date	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017	July 1, 2015
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The actuarially determined contribution for fiscal year 2024 was calculated as of June 30, 2023.

The actuarially determined contribution for fiscal year 2023 and 2022 were calculated as of June 30, 2021.

The actuarially determined contribution for fiscal year 2021 and 2020 were calculated as of June 30, 2019.

The actuarially determined contribution for fiscal year 2019 and 2018 were calculated as of June 30, 2017

The actuarially determined contribution for fiscal year 2017 was calculated as of July 1, 2015.

Methods and assumptions used to determined contribution rates:

	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Actuarial cost method	Level percent of salary	Level percent of salary	Level percent of salary	Level percent of salary	Level percent of salary	Level dollar, closed	Level dollar, closed	Level dollar, closed
Amortization method	9 years	7 years	7 years	10 years	10 years	30 years	30 years	10 years
Remaining amortization period	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value
Asset valuation method	2.5%	2.0%	2.0%	2.25%	2.25%	2.50%	2.50%	2.50%
Inflation	7.0% decreasing to 6.5%, then decreasing by 0.1% per year down to 4.5%, and level thereafter	6.5% initial, decreasing 0.1% per year down to 5.0%, then level thereafter	6.5% initial, decreasing 0.1% per year down to 5.0%, then level thereafter	9.0% for the first 5 years, then 6% decreasing 0.10% per year down to 5.0%, then level thereafter	9.0% for the first 5 years, then 6% decreasing 0.10% per year down to 5.0%, then level thereafter	7.5% initial, decreasing 0.5% per year down to 6.5%, then by 0.10% per year down to 5.0%, and level thereafter	7.5% initial, decreasing 0.5% per year down to 6.5%, then by 0.10% per year down to 5.0%, and level thereafter	7.5% initial, decreasing 0.5% per year down to 6.5%, then by 0.10% per year down to 5.0%, and level thereafter
Health care trend rates	3.0% average, including inflation	3.0%, average, including inflation	3.0%, average, including inflation	3.0%, average, including inflation	3.0%, average, including inflation	3.0%, average, including inflation	3.0%, average, including inflation	3.0%, average, including inflation
Salary increases	6.00%	3.50%	3.50%	2.25%	2.25%	3.50%	3.75%	3.50%
Investment rate of return								

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

Northwood Technical College District

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

Last 10 Calendar Years

	2024	2023	2022	2021	2020	2021	2020	2017	2016	2015
Measurement Date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
District's proportion of the net pension liability (asset)	0.1461%	0.1474%	0.1507%	0.1571%	0.1651%	0.1721%	0.1792%	0.1828%	0.1862%	0.1865%
District's proportionate share of the net pension liability (asset)	\$2,172,926	\$7,808,790	\$(12,147,023)	\$(9,805,094)	\$(5,322,586)	\$6,123,955	\$(5,320,134)	\$1,506,773	\$3,025,563	\$(4,581,562)
District's covered payroll during the measurement period	\$28,196,092	\$26,415,401	\$25,431,710	\$24,903,371	\$24,933,691	\$25,646,897	\$25,635,739	\$25,621,658	\$26,672,574	\$25,616,447
District's proportionate share of the net pension liability (asset) as a percentage of it's covered payroll	7.71%	29.56%	(47.76)%	(39.37)%	(21.35)%	23.88%	(20.75)%	5.88%	11.34%	(17.89)%
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.85%	95.72%	106.02%	105.26%	102.96%	96.45%	102.93%	99.12%	98.20%	102.74%

Northwood Technical College District

SCHEDULE OF EMPLOYER CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM (WRS)

Last 10 Calendar Years

	2024	2023	2022	2021	2020	2021	2020	2017	2016	2015
Contractually required contribution for the fiscal period	\$1,961,532	\$1,837,663	\$1,714,334	\$1,696,427	\$1,643,331	\$1,674,506	\$1,744,139	\$1,803,738	\$1,813,738	\$1,795,765
Contributions in relation to the contractually required contribution	(1,961,532)	(1,837,663)	(1,714,334)	(1,696,427)	(1,643,331)	(1,674,506)	(1,744,139)	(1,803,738)	(1,813,738)	(1,795,765)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll for the fiscal period	\$28,633,172	\$27,552,805	\$25,874,848	\$25,132,237	\$24,700,009	\$25,271,288	\$25,837,654	\$26,946,826	\$25,608,632	\$25,588,710
Contributions as a percentage of covered-employee payroll	6.85%	6.67%	6.63%	6.75%	6.65%	6.63%	6.75%	6.69%	7.08%	7.02%

Northwood Technical College District

Notes to Required Supplementary Information

Last 10 Fiscal Years

Note 1 Data in the above schedules relating to the District's OPEB plan was taken from the report issued by the actuary for OPEB benefits

Note 2 The July 30, 2017, valuation with an original measurement date of June 30, 2018, issued August 8, 2018 was updated as of July 31, 2019 for a measurement date of June 30, 2019, for a change in benefits. As of the June 30, 2020, measurement date, the District has now broken each classification into tiers and provides a new post-employment HRA to eligible employees that was not included in the original valuation.

Note 3 **Changes in Benefit Terms and Assumptions related to Pension Liabilities (Assets):**

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.

Northwood Technical College District

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

<i>Year Ended June 30,</i>	2023	2022	2021	2020	2019
Valuation Date:	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
	Level Percent of Payroll-Closed Amortization	Level Percent of Payroll-Closed Amortization	Level Percent of Payroll-Closed Amortization	Level Percent of Payroll-Closed Amortization	Level Percent of Payroll-Closed Amortization
Amortization Method:	Period	Period	Period	Period	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
Amortization Period:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Asset Valuation Method:					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.5%
Pre-retirement:	6.8%	7.0%	7.0%	7.0%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.2%
Seniority/Merit:	0.1-5.6%	0.1-5.6%	0.1-5.6%	0.1-5.6%	0.1-5.6%
Post-retirement Benefit Adjustments*:	1.7%	1.9%	1.9%	1.9%	2.1%

Northwood Technical College District

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

<i>Years Ended June 30,</i>	2023	2022	2021	2020	2019
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 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	2020 WRS Experience Tables. The rates based on 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%).	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%).

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 *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.

Northwood Technical College District

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

<i>Years Ended June 30,</i>	2018	2017	2016	2015	2014
Valuation Date:	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
	Level Percent of Payroll-Closed Amortization	Level Percent of Payroll-Closed Amortization	Level Percent of Payroll-Closed Amortization	Level Percent of Payroll-Closed Amortization	Level Percent of Payroll-Closed Amortization
Amortization Method:	Period	Period	Period	Period	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
Amortization Period:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Asset Valuation Method:					
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit					
Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%

Northwood Technical College District

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

<i>Years Ended June 30,</i>	2018	2017	2016	2015	2014
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.

*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.

Supplementary Financial Information

Northwood Technical College District

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

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local Government	\$ 4,901,896	\$ 4,872,112	\$ 4,872,113	\$ -	\$ 4,872,113	1
Intergovernmental:						
State	33,377,603	32,964,525	32,964,525	-	32,964,525	-
Federal	20,000	17,818	17,817	-	17,817	(1)
Tuition and Fees						
Statutory program fees	6,529,070	6,716,470	6,716,470	-	6,716,470	-
Material fees	386,341	420,517	420,517	-	420,517	-
Other student fees	561,286	460,897	460,897	-	460,897	-
Institutional	324,527	846,169	846,169	-	846,169	-
Total revenues	46,100,723	46,298,508	46,298,508	-	46,298,508	-
Expenditures:						
Instruction	26,403,756	25,251,285	25,249,086	2,199	25,251,285	-
Instructional resources	1,548,636	1,677,691	1,677,691	-	1,677,691	-
Student services	5,621,724	5,221,737	5,221,737	-	5,221,737	-
General institutional	10,031,627	11,506,638	11,517,476	(10,838)	11,506,638	-
Physical plant	3,144,980	3,088,832	3,083,500	5,332	3,088,832	-
Total expenditures	46,750,723	46,746,183	46,749,490	(3,307)	46,746,183	-
Revenues over (under) expenditures	(650,000)	(447,675)	(450,982)	3,307	(447,675)	-
Other financing sources:						
Operating transfer in	650,000	447,675	447,675	-	447,675	-
Change in fund balance	-	-	(3,307)	3,307	-	-
Fund balance - Beginning of year	15,608,715	15,688,895	15,802,473	(113,578)	15,688,895	-
Fund balance - End of year	\$ 15,608,715	\$ 15,688,895	\$ 15,799,166	\$ (110,271)	\$ 15,688,895	-

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

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

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$ 805,269	\$ 805,269	\$ 805,269	\$ -	\$ 805,269	\$ -
Intergovernmental:						
State	820,853	1,507,789	1,224,045	-	1,224,045	(283,744)
Federal	3,505,112	7,307,978	1,302,326	-	1,302,326	(6,005,652)
Material fees	-	-	108,471	-	108,471	108,471
Institutional	1,800,000	3,017,622	3,255,423	-	3,255,423	237,801
Total revenues	6,931,234	12,638,658	6,695,534	-	6,695,534	(5,943,124)
Expenditures:						
Instruction	6,144,019	11,975,710	5,975,710	-	5,975,710	6,000,000
Student services	747,026	844,940	844,940	-	844,940	-
General institutional	39,479	19,623	19,623	-	19,623	-
Total expenditures	6,930,524	12,840,273	6,840,273	-	6,840,273	6,000,000
Revenues over (under) expenditures	710	(201,615)	(144,739)		(144,739)	56,876
Other financing uses:						
Operating transfer out	(650,000)	(447,675)	(447,675)	-	(447,675)	-
Change in fund balance	(649,290)	(649,290)	(592,414)	-	(592,414)	56,876
Fund balance - Beginning of year	2,643,321	2,102,583	2,105,950	(3,367)	2,102,583	-
Fund balance - End of year	\$ 1,994,031	\$ 1,453,293	\$ 1,513,536	\$ (3,367)	\$ 1,510,169	\$ 56,876

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

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

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Intergovernment						
State	\$ 542,699	\$ 31,251	\$ 31,251	\$ -	\$ 31,251	-
Federal	-	833,052	1,291,514	-	1,291,514	458,462
Institutional	65,000	2,628,236	2,711,526	-	2,711,526	83,290
Total revenues	607,699	3,492,539	4,034,291	-	4,034,291	541,752
Expenditures:						
Instruction	2,811,928	3,505,945	4,328,037	(822,092)	3,505,945	-
Instructional resources	768,360	24,338	141,477	(117,139)	24,338	-
Student services	-	17,703	17,703	-	17,703	-
General institutional	783,572	2,871,270	2,794,174	77,096	2,871,270	-
Physical plant	4,885,444	2,939,887	2,610,189	329,698	2,939,887	-
Total expenditures	9,249,304	9,359,143	9,891,580	(532,437)	9,359,143	-
Revenue over (under) expenditures	(8,641,605)	(5,866,604)	(5,857,289)	532,437	(5,324,852)	541,752
Other financing sources:						
General obligation notes issued	8,100,000	5,325,000	5,325,000	-	5,325,000	-
Change in fund balance	(541,605)	(541,604)	(532,289)	532,437	148	541,752
Fund balance - Beginning of year	5,628,467	2,758,844	6,806,263	(4,047,419)	2,758,844	-
Fund balance - End of year	\$ 5,086,862	\$ 2,217,240	\$ 6,273,974	\$ (3,514,982)	\$ 2,758,992	\$ 541,752

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Debt Service Fund

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$ 8,240,419	\$ 8,240,419	\$ 8,240,419	\$ -	\$ 8,240,419	\$ -
Institutional	200,000	214,919	266,998	-	266,998	52,079
Total revenues	8,440,419	8,455,338	8,507,417	-	8,507,417	52,079
Expenditures:						
Physical plant	8,502,084	8,517,003	8,517,003	-	8,517,003	-
Total expenditures	8,502,084	8,517,003	8,517,003	-	8,517,003	-
Revenues over (under) expenditures	(61,665)	(61,665)	(9,586)	-	(9,586)	52,079
Other financing sources:						
Premium on general obligation notes	-	-	203,223	-	203,223	203,223
Change in fund balance	(61,665)	(61,665)	193,637	-	193,637	255,302
Fund balance - Beginning of year	8,146,138	8,260,039	8,260,039	-	8,260,039	-
Fund balance - End of year	\$ 8,084,473	\$ 8,198,374	\$ 8,453,676	\$ -	\$ 8,453,676	\$ 255,302

See Independent Auditor's Report.
See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

Schedule of Revenues, Expenses, and Changes in Net Position – Budget (Non-GAAP Budgetary Basis) and Actual – Enterprise Fund

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Operating revenues:						
Institutional	\$ 1,600,000	\$ 1,600,000	\$ 1,404,873	\$ -	\$ 1,404,873	\$ (195,127)
Total operating revenues	1,600,000	1,600,000	1,404,873	-	1,404,873	(195,127)
Operating expenses:						
Auxiliary enterprise expense	1,600,000	1,600,000	1,479,321	-	1,479,321	120,679
Total operating expenses	1,600,000	1,600,000	1,479,321	-	1,479,321	120,679
Change in net position	-	-	(74,448)	-	(74,448)	(74,448)
Net position - Beginning of year	583,693	387,049	387,049	-	387,049	-
Net position - End of year	\$ 583,693	\$ 387,049	\$ 312,601	\$ -	\$ 312,601	\$ (74,448)

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

Schedule of Revenues, Expenses, and Changes in Net Position – Budget (Non-GAAP Budgetary Basis) and Actual – Internal Service Fund

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Operating revenues:						
Institutional	\$ 5,533,000	\$ 7,113,684	\$ 7,113,684	\$ -	\$ 7,113,684	\$ -
Total operating revenues	5,533,000	7,113,684	7,113,684	-	7,113,684	-
Operating expenses:						
Instruction	-	333,056	333,056	-	333,056	-
Instructional resources	-	26,938	26,937	-	26,937	1
Student Services	-	78,558	78,558	-	78,558	-
General institutional	-	115,688	115,687	-	115,687	1
Physical plant	-	43,646	43,646	-	43,646	-
Auxiliary enterprise expense	5,533,000	6,580,637	6,580,637	-	6,580,637	-
Total operating expenses	5,533,000	7,178,523	7,178,521	-	7,178,521	2
Change in net position	-	(64,839)	(64,837)	-	(64,837)	2
Net position - Beginning of year	725,905	1,779,712	1,779,712	-	1,779,712	-
Net position - End of year	\$ 725,905	\$ 1,714,873	\$ 1,714,875	\$ -	\$ 1,714,875	\$ 2

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

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

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Intergovernmental:						
Federal	\$ 8,500,000	\$ 8,500,000	\$ 7,559,999	\$ -	\$ 7,559,999	\$(940,001)
Tuition and fees:						
Other student fees	240,000	240,000	281,709	-	281,709	41,709
Institutional	320,000	320,000	323,617	-	323,617	3,617
Total revenues	9,060,000	9,060,000	8,165,325	-	8,165,325	(894,675)
Expenditures:						
Instruction	115,000	150,782	150,782	-	150,782	-
Student services	8,740,000	8,687,454	7,941,506	-	7,941,506	745,948
General institutional	205,000	221,764	104,705	-	104,705	117,059
Total expenditures	9,060,000	9,060,000	8,196,993	-	8,196,993	863,007
Change in fund balance	-	-	(31,668)	-	(31,668)	(31,668)
Fund balance - Beginning of year	1,113,481	643,690	643,690	-	643,690	-
Fund balance - End of year	\$ 1,113,481	\$ 643,690	\$ 612,022	\$ -	\$ 612,022	\$ (31,668)

See Independent Auditor's Report.
See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

Schedule to Reconcile Budget (Non-GAAP Budgetary Basis) Financial Statements to Basic Financial Statements

Year Ended June 30, 2024

	General Fund	Special Revenue Aidable Fund	Capital Projects Fund	Debt Service Fund	Enterprise Fund	Internal Service Fund	Special Revenue Non-Aidable Fund	Totals	Reconciling Items	Statement of Revenues, Expenses, and Changes in Net Position
Revenues:										
Local Government	\$ 4,872,113	\$ 805,269	\$ -	\$ 8,240,419	\$ -	\$ -	\$ -	\$ 13,917,801	\$ -	\$ 13,917,800
Intergovernmental:										
State	32,964,525	1,224,045	31,251	-	-	-	-	34,219,821	-	34,219,821
Federal	17,817	1,302,326	1,291,514	-	-	-	7,559,999	10,171,656	-	10,171,656
Tuition and Fees:										
Statutory program fees	6,716,470	-	-	-	-	-	-	6,716,470	(3,803,668)	2,912,802
Material fees	420,517	108,471	-	-	-	-	-	528,988	(231,619)	297,369
Other student fees	460,897	-	-	-	-	-	281,709	742,606	(252,345)	490,261
Institutional	846,169	3,255,423	2,711,526	266,998	1,404,873	7,113,684	323,617	15,922,290	(8,910,102)	7,012,188
Auxiliary services revenue	-	-	-	-	-	-	-	-	1,305,185	1,305,185
Total revenues	46,298,508	6,695,534	4,034,291	8,507,417	1,404,873	7,113,684	8,165,325	82,219,632	(11,892,549)	70,327,082
Expenditures/Expenses:										
Instruction	25,251,285	5,975,710	3,505,945	-	-	333,056	150,782	35,216,778	829,647	36,046,425
Instructional resources	1,677,691	-	24,338	-	-	26,937	-	1,728,966	(28,964)	1,700,002
Student services	5,221,737	844,940	17,703	-	-	78,558	7,941,506	14,104,444	(7,711,571)	6,392,873
General institutional	11,506,638	19,623	2,871,270	-	-	115,687	104,705	14,617,923	(5,455,307)	9,162,616
Physical plant	3,088,832	-	2,939,887	8,517,003	-	43,646	-	14,589,368	(10,665,345)	3,924,023
Auxiliary enterprise services	-	-	-	-	1,479,321	6,580,637	-	8,059,958	(6,576,497)	1,483,461
Depreciation and amortization	-	-	-	-	-	-	-	-	7,171,327	7,171,327
Student aid	-	-	-	-	-	-	-	-	3,211,203	3,211,203
Interest expense	-	-	-	-	-	-	-	-	778,843	778,843
Total expenditures/expenses	46,746,183	6,840,273	9,359,143	8,517,003	1,479,321	7,178,521	8,196,993	88,317,437	(18,446,664)	69,870,773

Northwood Technical College District

Schedule to Reconcile Budget (Non-GAAP Budgetary Basis) Financial Statements to Basic Financial Statement (Continued)

Year Ended June 30, 2024

	General Fund	Special Revenue Aidable Fund	Capital Projects Fund	Debt Service Fund	Enterprise Fund	Internal Service Fund	Special Revenue Non-Aidable Fund	Totals	Reconciling Items	Statement of Revenues, Expenses, and Changes in Net Position
Revenues over (under) expenditures/expenses	\$ (447,675)	\$ (144,739)	\$ (5,324,852)	\$ (9,586)	\$ (74,448)	\$ (64,837)	\$ (31,668)	\$ (6,097,805)	\$ 6,554,115	\$ 456,309
Other financing (uses) sources:										
Operating transfer in (out)	447,675	(447,675)	-	-	-	-	-	-	-	-
Premium on general obligation notes	-	-	-	203,223	-	-	-	203,223	(203,223)	-
General obligation notes issued	-	-	5,325,000	-	-	-	-	5,325,000	(5,325,000)	-
Total other financing (uses) sources	447,675	(447,675)	5,325,000	203,223	-	-	-	5,528,223	(5,528,223)	-
Net change in fund balance/net position	-	(592,414)	148	193,637	(74,448)	(64,837)	(31,668)	(569,582)	1,025,892	456,309
Fund balance/net position - Beginning of year, as restated	15,688,895	2,102,583	2,758,844	8,260,039	387,049	1,779,712	643,690	31,620,812	22,094,606	53,715,418
Fund balance/net position - End of year	\$ 15,688,895	\$ 1,510,169	\$ 2,758,992	\$ 8,453,676	\$ 312,601	\$ 1,714,875	\$ 612,022	\$ 31,051,230	\$ 23,120,498	\$ 54,171,727

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

Notes to Budgetary Comparison Schedules

Year Ended June 30, 2024

Note 1: Budgetary Accounting

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

Property taxes are levied by the various taxing municipalities located primarily in 11 northwestern Wisconsin counties. The District records as revenue 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 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), 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.

The District has also included the issuance of general obligation promissory notes where the bid was awarded prior to year-end but the actual sale wasn't completed until after year-end.

Northwood Technical College District

Notes to Budgetary Comparison Schedules (Continued)

Year Ended June 30, 2024

Note 2: Explanation of Differences Between Revenues, Expenditures, and Other Financing Sources 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	\$ 46,298,508
Special Revenue Funds	6,695,534
Special Revenue Non-Aidable Funds	8,165,325
Capital Projects Fund	4,034,291
Debt Service Fund	8,507,417
Enterprise Funds	1,404,873
Internal Service Funds	7,113,684

Budgetary revenues 82,219,632

Adjustments:

Interfund charges from internal service are eliminated for GAAP reporting	(7,113,684)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenue for GAAP reporting	(4,184,890)
Summer tuition is recognized on the cash basis rather than the accrual basis	(104,258)
Eliminated USDA grant for GAAP reporting	(136,568)
Loss on disposal of capital assets	(353,150)

Reconciled on a GAAP basis \$ 70,327,082

GAAP basis revenues per the Statements of Revenues and Expenses:

Operating revenues	\$ 22,555,788
Property taxes	13,917,800
State nonoperating appropriations	32,964,525
Investment income	1,206,301
Loss on disposal of capital assets	(317,332)

GAAP revenues \$ 70,327,082

Northwood Technical College District

Notes to Budgetary Comparison Schedules (Continued)

Year Ended June 30, 2024

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

Expenditures

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

General Fund	\$ 46,746,183
Special Revenue Aidable Funds	6,840,273
Special Revenue Non-Aidable Funds	8,196,993
Capital Projects Fund	9,359,143
Debt Service Fund	8,517,003
Enterprise Funds	1,479,321
Internal Service Funds	7,178,521

Budgetary expenditures/expenses	88,317,437
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Adjustments:

Interfund charges from internal service and fiduciary funds are eliminated for GAAP reporting	(7,113,684)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenue for GAAP reporting	(4,321,458)
Cash basis expenditures adjusted to GAAP accrual basis	
Interest expense, accrued interest, and premium amortization	(186,497)
Pension-related benefits, compensated absences OPEB benefits, and termination benefits	681,633
Capital asset acquisitions reported as expenditures for budgetary purposes	(7,246,470)
Budgetary expenditure for repayment of principal on long-term debt	(7,555,000)
Budgetary expenditure for repayment of principal on leases	-
Encumbrances as reported for budgetary purposes	535,744
Subscription ROU assets & Lease amortization recorded for GAAP purposes	38,984
Depreciation recorded for GAAP purposes	7,171,327

Expenses on a GAAP basis	\$ 70,322,016
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GAAP basis expenses per the Statements of Revenues and Expenses:

Operating expenses	\$ 69,091,930
Interest expense	778,843

GAAP expenses	\$ 69,870,773
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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.

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
Northwood Technical College District
Rice Lake, 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, the discretely presented component unit, and the aggregate remaining fund information of Northwood Technical College District (the "District"), as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Northwood Technical College District's basic financial statements, and have issued our report thereon dated December 11, 2024. The financial statements of the Northwood Technical College Foundation, Inc. (the "Foundation"), a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Northwood Technical College District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Northwood Technical College District's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. 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 Northwood Technical College District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northwood Technical College District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Wipfli LLP

Eau Claire, Wisconsin
December 11, 2024

Northwood Technical College District

Schedule of Findings and Questioned Costs (Continued)

Section I - Audit Findings in Relation to Financial Statements

2024-001

Material Adjustments

Criteria or Specific Requirement: The identification by the auditor of a material misstatement of the financial statements under audit in circumstances that indicate the misstatement would not have been detected by the entity's internal control is regarded as a material weakness in internal controls.

Condition: During the audit, Wipfli proposed a material adjusting journal entry related to grant revenues and expenses.

Context: The District didn't completely understand the revenue and expense recognition requirements for grants passed through to subrecipients when the funds were received using the advance payment method.

Effect: The financial records as originally presented for audit were materially misstated.

Cause: The District assumed that the grant revenue and corresponding expense should be recorded in the current fiscal year because they passed the funds along to the subrecipient in the same fiscal year and didn't take into account how much of the grant money had been spent by the subrecipient on allowable costs and activities.

Repeat Finding: No

Auditor's Recommendation: We suggest when the District has grants that include subrecipients and are funded using the advance payment method, they determine the amount that has actually been spent by the subrecipient in order to record the revenues and expenses correctly on the District's records.

Management's Response: The finding is acknowledged. The District will record the actual amount spent by subrecipients as recommended by the Auditors when the advance payment funding method is used with subrecipients.

Northwood Technical College District

Financial Report

Years Ended June 30, 2025 & 2024

Draft

Northwood Technical College District
Financial Statements and Supplementary Financial Information
Years Ended June 30, 2025 and 2024

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Northwood 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
Northwood Technical College District
Rice Lake, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the Northwood Technical College District (the "District"), as of and for the year's 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 financial statements referred to above presented fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the Northwood Technical College District as of June 30, 2025 and 2024, and the 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 ("GAAP").

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. 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 Northwood 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. The financial statements of the Northwood Technical College Foundation, Inc., a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

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, 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 Northwood 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 Northwood 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 Northwood 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 changes in the employer's net OPEB liability (asset) and related ratios - District OPEB Plan, Schedule of investment returns - District OPEB plan, schedule of employer contributions - District OPEB plan, and the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System 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 basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The non-GAAP budgetary basis schedules listed in the table of contents as supplementary information, as required by the Wisconsin Technical College Systems 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 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 Northwood 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

Management Discussion and Analysis

Draft

Northwood Technical College District

Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024

Northwood Technical College District's (Northwood Tech, "College" or the "District") management's discussion and analysis (MD&A) of its financial condition provides an overview of financial activity, identifies changes in financial position, and assists the reader of the financial statements in focusing on noteworthy financial issues.

While maintaining its financial health is crucial to the long-term viability of Northwood Tech, the primary mission of a public institution of higher education is to provide education and training. Therefore, net position is accumulated only as required to ensure that there are sufficient reserve funds to avoid cash flow borrowing and to prevent short-term reactionary changes due to higher than anticipated expenses or lower than anticipated revenues. The MD&A provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements.

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Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. In general, a public college such as the Northwood Tech will report an overall operating deficit or loss, since 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 for the years ended June 30, 2025, 2024 and 2023.

	2025	2024	Net Position Increase (Decrease) 2025-2024		2023	Net Position Increase (Decrease) 2024-2023	
Operating revenues:							
Tuition and fees	\$ 3,602,987	\$ 5,005,617	\$ (1,402,630)	(28.0)%	\$ 4,199,268	\$ 806,349	19.2 %
State and federal grants	15,320,065	11,426,952	3,893,113	34.1 %	13,121,050	(1,694,098)	(12.9)%
Contract revenue	3,474,034	3,168,552	305,482	9.6 %	2,531,736	636,816	25.2 %
Miscellaneous	618,351	2,954,667	(2,336,316)	(79.1)%	819,365	2,135,302	260.6 %
Total operating revenues	23,015,437	22,555,788	459,649	2.0 %	20,671,419	1,884,369	9.1 %
Operating expenses:							
Instruction	39,818,544	36,046,425	3,772,119	10.5 %	32,571,184	3,475,241	10.7 %
Instructional resources	2,517,586	1,700,002	817,584	48.1 %	1,708,611	(8,609)	(0.5)%
Student services	2,416,260	6,392,873	(3,976,613)	(62.2)%	7,209,460	(816,587)	(11.3)%
General institutional	6,934,940	9,162,616	(2,227,676)	(24.3)%	10,698,658	(1,536,042)	(14.4)%
Physical plant	9,513,211	3,924,023	5,589,188	142.4 %	1,880,690	2,043,333	108.6 %
Auxiliary enterprise services	507,371	1,483,461	(976,090)	(65.8)%	873,558	609,903	69.8 %
Depreciation	6,470,988	7,171,327	(700,339)	(9.8)%	5,812,685	1,358,642	23.4 %
Student aid	2,761,111	3,211,203	(450,092)	(14.0)%	2,799,481	411,722	14.7 %
Total operating expenses	70,940,011	69,091,930	1,848,081	24.9 %	63,554,327	5,537,603	8.7 %
Nonoperating revenues (expenses):							
Property taxes	14,674,493	13,917,800	756,693	5.4 %	13,168,841	748,959	5.7 %
State nonoperating appropriations	33,312,838	32,964,525	348,313	1.1 %	32,997,230	(32,705)	(0.1)%
CARES Act funding	-	-	-	- %	23,954	(23,954)	100.0 %
Investment income earned	947,091	1,206,301	(259,210)	(21.5)%	951,534	254,767	26.8 %
Interest expense	(876,970)	(778,843)	(98,127)	12.6 %	(753,893)	(24,950)	3.3 %
Gain (loss) on disposal of capital assets	30,998	(317,332)	348,330	(109.8)%	77,573	(394,905)	(509.1)%
Total nonoperating revenues (expenses)	48,088,450	46,992,451	1,095,999	2.3 %	46,465,239	527,212	1.1 %

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

	2025	2024	Net Position Increase (Decrease) 2025-2024		2023	Net Position Increase (Decrease) 2024-2023	
Change in net position	\$ 163,876	\$ 456,309	\$ (292,433)	(64.09)%	\$ 3,582,331	\$ (3,126,022)	(87.3)%
Net position - Beginning of year	54,171,727	53,715,418	456,309	0.85 %	50,133,087	3,582,331	7.1 %
Net position - End of year	\$ 54,335,603	\$ 54,171,727	\$ 163,876	0.30 %	\$ 53,715,418	\$ 456,309	0.8 %

Fiscal Year 2025 Compared to 2024

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

Operating revenues are the charges for services offered by the District. During 2025, the District generated more than \$23.0 million of operating revenue. Significant items and revenue sources are as follows:

In total, tuition and fee income show a decrease of 28.0% in 2025, which is a direct reflection of increased enrollment within the College.

Contract revenues were approximately \$3.5 million for the year and represent revenue from instructional and technical assistance contracts with business and industry as well as local school districts.

Auxiliary enterprise revenues are revenues generated by the bookstore, program retail and services sales, food service, and other similar activities of the District. These revenues are included in tuition and fees and totaled \$272,049 for 2025. This represents a decrease of 20.8% from the previous year.

Please include an explanation

The State and federal grant revenue decreased 34.1% or \$3,893,113 in 2025, which is due to the college utilizing more funding of multi-year awarded grants in 2023 compared to 2024.

Operating expenses are costs related to offering the programs of the District. For 2025, operating expenses totaled approximately \$70.9 million. Approximately 63.8% of this figure represents personnel-related costs. Another major expense was depreciation 9.1%. Expenses such as travel, rentals, insurance, utilities, and other expenses account for the remaining 27.1% of total operating expenses.

Fluctuations in major operating expense categories occur on a year-to-year basis based on enrollment changes as well as District initiatives and priorities. The 142.4% increase in physical plant expenditures relates to the percentage completion of district renovation projects as of June 30, 2025 as compared to 2024. The 9.8% decrease in depreciation is related to the increase of assets reaching the end of their useful life, as well as ERP implementation costs being amortized. The 48.1% increase in instructional resources was the result of higher expenses being utilized for instruction-based operations. The 24.3% decrease in general institutional expenditures is attributed to a decrease in spending for ERP implementation costs in 2025 compared to 2024. The 65.8% decrease in auxiliary enterprise services is a result of higher claims for self-insurance.

Nonoperating revenues and expenses are items not directly related to providing instruction. Net nonoperating revenues and expenses for the year ended June 30, 2025, increased 2.3%. The most significant component of the increase in net nonoperating revenues was the loss on disposal of capital assets in 2025.

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

Net position for 2025 increased \$163,876 as a result of the above activity.

Fiscal Year 2024 Compared to 2023

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

Operating revenues are the charges for services offered by the District. During 2024, the District generated more than \$22.5 million of operating revenue. Significant items and revenue sources are as follows:

In total, tuition and fee income show an increase of 19.2% in 2024, which is a direct reflection of increased enrollment within the College.

Contract revenues were approximately \$3.2 million for the year and represent revenue from instructional and technical assistance contracts with business and industry as well as local school districts.

Auxiliary enterprise revenues are revenues generated by the bookstore, program retail and services sales, food service, and other similar activities of the District. These revenues are included in tuition and fees and totaled \$1,305,185 for 2024. This represents an increase of 52.0% from the previous year.

State and federal grant revenue decreased 12.9% or \$(1,694,098) in 2024, which is due to the college utilizing more funding of multi-year awarded grants in 2023 compared to 2024.

Operating expenses are costs related to offering the programs of the District. For 2024, operating expenses totaled approximately \$69 million. Approximately 64.0% of this figure represents personnel-related costs. Another major expense was depreciation 10.4%. Expenses such as travel, rentals, insurance, utilities, and other expenses account for the remaining 25.6% of total operating expenses.

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

Fluctuations in major operating expense categories occur on a year-to-year basis based on enrollment changes as well as District initiatives and priorities. The 70.2% decrease in physical plant expenditures relates to the percentage completion of district renovation projects as of June 30, 2024 as compared to 2023. The 3.9% increase in depreciation is related to the increase in assets reaching the end of their useful life, as well as ERP implementation costs being amortized. The 25.3% increase in instructional resources was the result of capital expenditures for technology related to the COVID-19 pandemic to expand virtual instruction. The 18% increase in general institutional expenditures is attributed to an increase in salaries & fringe for staff as a result of a 3-year compensation study by the college. The 44.9% decrease in auxiliary enterprise service is a result of lower enrollment.

Nonoperating revenues and expenses are items not directly related to providing instruction. Net nonoperating revenues and expenses for the year ended June 30, 2024, decreased 9.3%. The most significant component of net nonoperating revenues was the CARES Act funding of \$6.5 million. The other significant component of the decrease in net nonoperating revenues was the CARES Act funding reduction of \$6.4 million over 2023.

Net position for 2024 increased \$456,309 as a result of the above activity.

Statement of Cash Flows

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

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

	2025	2024	Cash Increase (Decrease) 2025-2024		2023	Cash Increase (Decrease) 2024-2023	
Net cash from operating activities	\$(40,439,123)	\$(38,230,228)	\$(2,208,895)	5.8 %	\$(35,080,760)	\$(3,149,468)	9.0 %
Net cash from non capital financing activities	48,045,060	47,399,713	645,347	1.4 %	45,270,819	2,128,894	4.7 %
Net cash from capital and related financing activities	(13,298,137)	(10,615,028)	(2,683,109)	25.3 %	(14,921,714)	4,306,686	(28.9)%
Net cash from investing activities	947,091	1,206,301	(259,210)	(21.5)%	\$ 951,534	254,767	26.8 %
Net increase/ (decrease) in cash and investments	\$(4,745,109)	\$(239,242)	\$(4,505,867)	1,883.39 %	\$(3,780,121)	3,540,879	(93.7)%

Statement of Cash Flows (Continued)

Fiscal Year 2025 Compared to 2024

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

The largest component of cash used in operating activities was payments to employees for salaries/wages and benefits. Approximately \$44.3 million was paid in 2025.

Another significant component of operating cash flows was payments to suppliers. This cash outflow of approximately \$17.6 million represents the costs of goods and services purchased from outside vendors.

The largest cash inflows from operating activities included approximately \$1.5 million in tuition and fees and approximately \$14.9 million in state and federal grants.

Property tax receipts of \$14,367,222 and \$29.8 million of Property Tax Relief Aid, received in February 2025, are categorized as cash flows from non-capital financing activities.

The net 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 (debt proceeds and principal and interest payments). Net cash used in capital-related debt activity in this category was approximately \$1.9 million in 2025 as compared to net cash used of approximately \$3.4 million in 2024. Net cash used for capital purchase (purchases less sales proceeds) was approximately \$11.3 million in 2025 and \$7.2 million in 2024.

Investment income is interest received on the District's investments.

Overall, the District's cash and investments decreased by \$4,745,109 for the current fiscal period.

Fiscal Year 2024 Compared to 2023

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

The largest component of cash used in operating activities was payments to employees for salaries/wages and benefits. Approximately \$42.7 million was paid in 2024.

Another significant component of operating cash flows was payments to suppliers. This cash outflow of approximately \$23.5 million represents the costs of goods and services purchased from outside vendors.

The largest cash inflows from operating activities included approximately \$5.8 million in tuition and fees and approximately \$17.0 million in state and federal grants.

Property tax receipts of \$13,462,960 and \$29.8 million of Property Tax Relief Aid, received in February 2024, are categorized as cash flows from non-capital financing activities.

Statement of Cash Flows (Continued)

Fiscal Year 2024 Compared to 2023 (continued)

The net 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 (debt proceeds and principal and interest payments). Net cash used in capital-related debt activity in this category was approximately \$3.4 million in 2024 as compared to net cash provided of approximately \$3.0 million in 2023. Net cash used for capital purchases (purchases less sales proceeds) was approximately \$8.4 million in 2024 and \$11.0 million in 2023.

Investment income is interest received on the District's investments.

Overall, the District's cash and investments decreased by \$239,242 for the current fiscal period.

Statement of Net Position

The statements of net position present the financial position of the District at the end of the fiscal year and includes all assets (items that the District owns and amounts owed to the District by others) and liabilities (amounts owed to others by the District and what has been collected from others for which a service has not yet been performed) and deferred inflows and outflows as applicable. These statements are 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.

Statement of Net Position (Continued)

The following is a condensed version of the statements of net position as of June 30, 2025, 2024 and 2023:

	2025	2024	2023				
Assets:							
Cash and investments	\$26,018,569	\$ 30,763,678	\$ (4,745,109)	(15.4)%	\$ 31,002,920	\$ (239,242)	(0.8)%
Net capital assets	68,414,214	62,796,750	5,617,464	8.9 %	62,272,553	524,197	0.8 %
Other assets	12,548,187	14,505,063	(1,956,876)	(13.5)%	8,130,889	6,374,174	78.4 %
Total assets	106,980,970	108,065,491	(1,084,521)	(1.0)%	101,406,362	6,659,129	6.6 %
Deferred outflows of resources:							
Related to pensions (WRS)	12,672,954	18,374,211	(5,701,257)	(31.0)%	28,322,562	(9,948,351)	(35.1)%
Related to OPEB (District plan)	11,967	245,537	(233,570)	(95.1)%	1,961,443	(1,715,906)	(87.5)%
Total deferred outflows of resources	12,684,921	18,619,748	(5,934,827)	(31.9)%	30,284,005	(11,664,257)	(38.5)%
Liabilities:							
Other liabilities	9,022,810	10,287,442	(1,264,632)	(12.3)%	3,747,162	6,540,280	174.5 %
Noncurrent liabilities	48,350,077	49,282,673	(932,596)	(1.9)%	57,298,351	(8,015,678)	(14.0)%
Total liabilities	57,372,887	59,570,115	(2,197,228)	(3.7)%	61,045,513	(1,475,398)	(2.4)%
Deferred inflows of resources:							
Related to pensions (WRS)	6,859,103	11,618,472	(4,759,369)	(41.0)%	16,386,791	(4,768,319)	(29.1)%
Related to OPEB (District plan)	1,098,298	1,324,925	(226,627)	(17.1)%	542,645	782,280	144.2 %
Total deferred inflows of resources	7,957,401	12,943,397	(4,985,996)	(38.5)%	16,929,436	(3,986,039)	(23.5)%
Net Position:							
Net investment in capital assets	28,106,978	26,960,113	1,146,865	4.3 %	24,951,349	2,008,764	8.1 %
Restricted for students and other organizations	468,340	504,918	(36,578)	(7.2)%	525,470	(20,552)	(3.9)%
Restricted for debt service	8,577,760	8,208,910	368,850	4.5 %	8,037,369	171,541	2.1 %
Unrestricted	17,182,525	18,497,786	(1,315,261)	(7.1)%	20,201,230	(1,703,444)	(8.4)%
Total net position	\$54,335,603	\$ 54,171,727	\$ 163,876	0.3 %	\$ 53,715,418	\$ 456,309	0.8 %

Statement of Net Position (Continued)

Fiscal Year 2025 Compared to 2024

Specific items of interest related to the statements of net position include the following:

Cash and investments decreased by \$4,745,109 in 2025. This is primarily the result of an increase in self-funded insurance benefits over what was budgeted by the college.

The largest component of the District's assets is net capital assets, which represents the District's net investment in its physical plant and equipment. The net capital asset balance increased by 8.9%.

The other assets category is made up of various receivable balances, including tuition and contracted services accounts receivable [\$2.9 million], property taxes receivable [\$5.0 million], bookstore inventories [\$151,000] and prepaid expenses [\$283,000].

Total liabilities and deferred inflows decreased by \$7.2 million in 2025, compared to a decrease of \$5.4 million in 2024. This decrease is mainly a result of the decrease in deferred inflows related to WRS.

Other liabilities include accounts payable and various types of accruals.

Noncurrent liabilities of approximately \$39.9 million represent the portion of long-term obligations due after fiscal year as well as the District's net OPEB liability.

The District is also reporting a \$12.7 million deferred outflow of resources and a \$6.9 million deferred inflow of resources for its proportionate share of the WRS deferred outflows and inflows related to pensions. In 2025, the District is reporting a deferred outflow of \$12,000 as well as a deferred inflow of \$1.1 million related to the District's OPEB plan.

Fiscal Year 2024 Compared to 2023

Specific items of interest related to the statements of net position include the following:

Cash and investments decreased by \$239,242 in 2024. This is primarily the result of an increase in self-funded insurance benefits over what was budgeted by the College.

The largest component of the District's assets is net capital assets, which represents the District's net investment in its physical plant and equipment. The net capital asset balance increased by 0.8%.

The other assets category is made up of various receivable balances, including tuition and contracted services accounts receivable [\$3.2 million], property taxes receivable [\$4.7 million], bookstore inventories [\$215,000], and prepaid expenses [\$337,000].

Total liabilities and deferred inflows decreased by \$5.4 million in 2024, compared to a decrease of \$6.9 million in 2023. The decrease is mainly a result of the decrease in deferred outflows related to WRS.

Other liabilities include accounts payable and various types of accruals.

Statement of Net Position (Continued)

Fiscal Year 2024 Compared to 2023 (continued)

Noncurrent liabilities of approximately \$41.0 million represent the portion of long-term obligations due after fiscal year as well as the District's net OPEB liability.

The District is also reporting an \$18.4 million deferred outflow of resources and a \$11.6 million deferred inflow of resources for its proportionate share of the WRS deferred outflows and inflows related to pensions. In 2024, the District is reporting a deferred outflow of \$246,000 as well as a deferred inflow of \$1.3 million related to the District's OPEB plan.

Capital Assets and Debt Administration

The District's net capital assets as of June 30, 2025, amounts to approximately \$68.4 million. This includes land and land improvements, buildings and improvements, movable equipment, leased assets, subscription assets, and construction in progress. The most significant building project in fiscal year 2025 was the New Richmond Medical Lab Education Center Remodel.

At the end of the 2025 fiscal year, the District had total general obligation debt outstanding of approximately \$38.6 million. The District's Moody's Investor Services bond rating was maintained at Aaa. The District has continued to meet all of its debt service requirements. All general obligation debt for equipment is repaid in three years, while debt related to building and remodeling is repaid in eight to ten years. The debt is secured by the taxing authority of the District. The current debt structure adequately replaces and expands the equipment and facility needs of the District.

The District participates in the Wisconsin Retirement System (WRS) and the Basic Financial Statements include a proportionate share of the assets, liabilities, deferred inflows and outflows, and an increase or decrease in pension expense related to WRS actuarial projections for calendar years ended December 31, 2024 and 2023.

Capital Assets and Debt Administration (Continued)

The following table summarizes the financial impact to the District related to GASB Statement No. 68. For more information, refer to Note 6 and the Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System.

Impact of GASB No. 68 on the Basic Financial Statements Years Ended June 30, 2025, 2024 and 2023

	2025	2024	2023
Deferred Outflows Related to Pensions (WRS)	\$ 12,672,954	\$ 18,374,211	\$ 28,322,562
Asset and Deferred Outflows	12,672,954	18,374,211	28,322,562
Net Pension Liability (WRS)	2,350,424	2,172,926	7,808,790
Deferred Inflows Related to Pensions (WRS)	6,859,103	11,618,472	16,386,791
Liabilities and Deferred Inflows	9,209,527	13,791,398	24,195,581
Impact on Total Net Position	3,463,427	4,582,813	4,126,981
Impact on Pension Expense	1,119,386	(455,832)	2,140,711
Increase (decrease) in net position excluding GASB No.68 pension expense	1,283,262	477	5,723,042
Increase (decrease) in net position including GASB No. 68 pension expense	163,876	456,309	3,582,331
District proportion of the WRS pension liability (asset)	0.143 %	0.146 %	0.147 %
Plan fiduciary net position as a percentage of the total WRS pension liability (asset)	98.79 %	98.85 %	95.72 %

Economic Factors

Northwood Technical College continues to face a range of economic factors influenced by the ongoing recovery from the COVID-19 pandemic and broader economic conditions. While both the United States and Wisconsin economies showed signs of recovery, challenges from supply chain disruptions, inflation, and rising borrowing costs continued to impact both the cost of goods and services and the delivery of educational programs. Although conditions had improved since the pandemic's peak, Northwood Tech still experienced supply chain delays and inflationary pressures, particularly affecting the cost of goods and services essential to its operations.

Economic Factors (Continued)

Nationally, the Federal Reserve's continued interest rate hikes to curb inflation contributed to higher borrowing costs for both businesses and consumers, including student loans and business loans, which could influence enrollment patterns and financial planning. Despite this, Northwood Tech remained financially stable, with the District's statutory tax levy limits still above its actual tax levy. However, future revenue growth was constrained by the state's biennial budget tax levy freeze, which limits tax levy increases to net new construction, unless approved by referendum.

One of the key economic influences on Northwood's revenue has been the behavior of its student enrollment. Historically, technical colleges see higher enrollment during economic downturns as individuals seek to retrain for new job opportunities. However, the pandemic's economic downturn was unique in its complexity, with many individuals facing uncertainty in employment, childcare, and educational decisions, leading to stagnant enrollments for the college. With that said, Northwood saw a prominent increase in enrollment for the 2024 fiscal year and expect a continued increase in enrollment for the coming fiscal year.

The District also faced increasing financial pressures, including the rising costs of personnel and health insurance, which will continue to outpace revenue growth. Additionally, the evolving nature of technology in the workforce require the college to continuously update and develop new programs to meet labor market needs. Technology-related expenses remained a critical component in maintaining high-quality educational offerings, while also prioritizing a seamless transition to the college's new ERP system.

Despite these challenges, Northwood Tech's financial outlook remains positive, due in part to modest increases in property values within the District, which were expected to slightly reduce the mill rate. The college's long-term financial planning, including the establishment of a post-employment benefit trust, positioned Northwood Tech to continue meeting its financial obligations while maintaining flexibility to respond to future needs. Overall, while the college has faced significant economic pressures, its strong financial position and strategic planning allow for continued offerings of essential services and preparation of future challenges.

Financial Position

Northwood Tech's overall financial position increased by \$163,876. The reasons for this increase have already been discussed in the Statements of Revenues, Expenses and Change in Net Position section.

Northwood Tech continues to maintain a strong financial position with adequate operating reserves within board policy guidelines.

The District has a diverse source of revenue streams, which include state aid and grants, federal grants, business and industry contract revenue, tuition, and property taxes to meet the expenditures of the District. By far, property taxes and Property Tax Relief Aid remain the most significant and stable source of revenue for Northwood Tech. The District uses property tax levy to repay its debt and manage capital assets on replacement or refresh cycle when the assets useful lives have expired allowing the District the use of current technology and well-maintained facilities.

Requests for Information

This financial report is designed to provide a general overview of the District's financial picture for those interested parties. Questions concerning any information contained in this report or for any additional information should be addressed to the Vice President of Business Services, 1900 College Drive, Rice Lake, WI 54868.

Basic Financial Statements

Draft

Northwood Technical College District

Statements of Net Position

June 30, 2025 and 2024

<i>Assets and Deferred Outflows of Resources</i>	2025		2024	
	Primary Government	Component Unit	Primary Government	Component Unit
Current assets:				
Cash and investments	\$ 16,549,883	\$ 339,904	\$ 16,738,220	\$ 55,094
Receivables:				
Local Taxes	5,044,591	-	4,737,320	-
Accounts receivable	2,966,315	1,401	3,215,579	1,752
Inventories	150,989	-	215,309	-
Prepaid expenses	-	-	-	-
Other	283,328	-	336,855	-
Grants	4,102,964	-	6,000,000	-
Total current assets	29,098,070	341,305	31,243,283	56,846
Noncurrent assets:				
Restricted:				
Cash and investments	9,468,686	-	14,025,458	-
Investments	-	6,974,434	-	6,355,500
Capital assets:				
Capital assets, not being depreciated	2,751,010	-	2,408,206	-
Capital assets, being depreciated - Net	60,741,186	-	56,820,984	-
Lease assets, net of amortization	12,491	-	26,546	-
Subscription assets, not being amortized	2,986,594	-	2,404,420	-
Subscription assets, being amortized - Net	1,922,933	-	1,136,594	-
Total noncurrent assets	77,882,900	6,974,434	76,822,208	6,355,500
Total assets	106,980,970	7,315,739	108,065,491	6,412,346
Deferred outflows of resources:				
Related to pensions (WRS)	12,672,954	-	18,374,211	-
Related to OPEB (District Plan)	11,967	-	245,537	-
Total deferred outflows of resources	12,684,921	-	18,619,748	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 119,665,891	\$ 7,315,739	\$ 126,685,239	\$ 6,412,346

Northwood Technical College District

Statements of Net Position (Continued)

June 30, 2025 and 2024

<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	2025		2024	
	Primary Government	Component Unit	Primary Government	Component Unit
Liabilities:				
Current liabilities:				
Accounts payable	\$ 978,503	\$ 72,304	\$ 1,013,160	\$ 67,155
Accrued liabilities:				
Payroll, payroll taxes, and insurance	2,617,981	-	2,378,232	-
Accrued interest	340,623	-	256,752	-
Compensated absences	-	-	132	-
Accrued and other liabilities	-	-	6,474	-
Unearned revenue	4,665,803	-	6,632,692	-
Due to fiduciary funds	365,000	-	-	-
Good Faith Deposits	54,900	-	-	-
Current portion of long-term obligations	8,396,232	-	8,182,529	-
Total current liabilities	17,419,042	72,304	18,469,971	67,155
Noncurrent liabilities:				
Lease obligations	666	-	12,762	-
Obligations under subscriptions	984,212	-	667,737	-
General obligation debt	31,602,554	-	32,643,672	-
Net Pension liability (WRS)	2,350,424	-	2,172,926	-
Net OPEB liability (District plan)	1,298,227	-	1,738,139	-
Sick leave	3,717,762	-	3,864,908	-
Total noncurrent liabilities	39,953,845	-	41,100,144	-
Total liabilities	57,372,887	72,304	59,570,115	67,155
Deferred inflows of resources:				
Related to OPEB (WRS)	6,859,103	-	11,618,472	-
Related to OPEB (District Plan)	1,098,298	-	1,324,925	-
Total deferred inflows of resources	7,957,401	-	12,943,397	-
Total liabilities and deferred inflows of resources	65,330,288	72,304	72,513,512	67,155
Net position:				
Net investment in capital assets	28,106,978	-	26,960,113	-
Restricted - nonexpendable	-	5,268,881	-	4,863,425
Restricted for:				
Debt service	8,577,760	-	8,208,910	-
Scholarships and other activities	-	1,820,145	-	1,419,009
Student and other organizations	468,340	-	504,918	-
Unrestricted	17,182,525	154,409	18,497,786	62,757
Total net position	54,335,603	7,243,435	54,171,727	6,345,191
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 119,665,891	\$ 7,315,739	\$ 126,685,239	\$ 6,412,346

See accompanying notes to the basic financial statements.

Northwood Technical College District

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2025 and 2024

	2025		2024	
	Primary Government	Component Unit	Primary Government	Component Unit
Operating Revenues:				
Student program fees (tuition) - Net of scholarship allowance of \$4,881,557 and \$3,699,410, respectively	\$ 2,569,980	\$ -	\$ 2,912,802	\$ -
Student material fees - Net of scholarship allowance of \$330,984 and \$231,619, respectively	276,686	-	297,369	-
Other student fees - Net of scholarship allowance of \$375,380 and \$253,861, respectively	484,272	-	490,261	-
Federal grants	13,003,364	-	10,171,656	-
State grants	2,316,701	-	1,255,296	-
Business and industry contract revenue	3,474,034	-	3,168,552	-
Auxiliary enterprise revenue	272,049	-	1,305,185	-
Miscellaneous	618,351	864,845	2,954,667	1,192,106
Total operating revenues	23,015,437	864,845	22,555,788	1,192,106
Operating Expenses:				
Instruction	39,818,544	-	36,046,425	-
Instructional resources	2,517,586	-	1,700,002	-
Student services	2,416,260	-	6,392,873	-
General institutional	6,934,940	581,629	9,162,616	1,421,022
Physical plant	9,513,211	-	3,924,023	-
Auxiliary services	507,371	-	1,483,461	-
Depreciation and amortization	6,470,988	-	7,171,327	-
Student aid	2,761,111	-	3,211,203	-
Total operating expenses	70,940,011	581,629	69,091,930	1,421,022
Operating income (loss)	(47,924,574)	283,216	(46,536,142)	(228,916)
Nonoperating revenues (expenses):				
Property taxes	14,674,493	-	13,917,800	-
State nonoperating appropriations	33,312,838	-	32,964,525	-
Investment income earned	947,091	615,028	1,206,301	786,703
Interest expense	(876,970)	-	(778,843)	-
Gain (loss) on disposal of capital assets	30,998	-	(317,332)	-
Total nonoperating revenues (expenses)	48,088,450	615,028	46,992,451	786,703
Change in net position	163,876	898,244	456,309	557,787
Net position- Beginning of year	54,171,727	6,345,191	53,715,418	5,787,404
Net position - End of year	\$ 54,335,603	\$ 7,243,435	\$ 54,171,727	\$ 6,345,191

See accompanying notes to financial statements.

Northwood Technical College District

Statements of Cash Flows

Years Ended June 30, 2025 and 2024

	2025	2024
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Tuition and fees received	\$ 1,493,552	\$ 5,806,710
Federal and state grants received	14,909,428	17,069,508
Business, industry, and school district contract revenues	4,186,734	2,951,329
Payments to employees	(44,258,267)	(42,650,430)
Payments for materials and services	(17,553,668)	(23,554,998)
Other receipts	783,098	2,147,653
Net cash from operating activities	(40,439,123)	(38,230,228)
Cash flows from noncapital financing activities:		
Local property taxes	14,367,222	13,462,960
Increase in due to other funds	365,000	-
Decrease in due from other funds	-	972,228
State appropriations	33,312,838	32,964,525
Net cash from noncapital financing activities	48,045,060	47,399,713
Cash flows from capital and related financing activities:		
Purchases of capital assets	(11,390,213)	(7,246,470)
Proceeds from sale of capital assets	45,557	35,818
Proceeds from issuance of capital debt	6,864,900	5,325,000
Principal paid on capital debt	(7,690,000)	(7,555,000)
Principal paid on leases	(14,212)	(14,051)
Interest paid on leases	(244)	(405)
Premium received on debt issuance	416,730	203,223
Principal paid on subscription liability	(474,953)	(398,207)
Interest paid on subscription liability	(45,379)	(14,918)
Interest and fiscal charges paid on capital debt	(1,010,323)	(950,018)
Net cash from capital and related financing activities	(13,298,137)	(10,615,028)
Cash flows from investing activities:		
Investment income received	947,091	1,206,301
Net increase (decrease) in cash and investments	(4,745,109)	(239,242)
Cash and cash equivalents - Beginning of year	30,763,678	31,002,920
Cash and cash equivalents - End of year	\$ 26,018,569	\$ 30,763,678

Northwood Technical College District

Statements of Cash Flows (Continued)

Years Ended June 30, 2025 and 2024

	2025	2024
Reconciliation of operating loss to net cash from operating activities:		
Operating loss	\$ (47,924,574)	\$ (46,536,142)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	6,470,988	7,171,327
Change in assets, liabilities, deferred outflows and inflows of resources:		
(Increase) decrease in assets/deferred outflows of resources:		
Accounts receivable	249,263	(802,725)
Inventories	64,320	194,557
Prepaid expenses	1,950,563	(283,395)
Deferred outflows of resources related to OPEB (District plan)	233,570	1,715,906
Deferred outflows of resources related to pensions (WRS)	5,701,257	9,948,351
Increase (decrease) in liabilities/deferred inflows of resources:		
Accounts payable	(34,657)	15,863
Accrued payroll, payroll taxes, and insurance	233,275	735,649
Accrued vacation	(132)	(448,502)
Unearned revenue	(1,966,886)	222,137
Net OPEB liability (District Plan)	(439,912)	(1,452,845)
Net pension liability (WRS)	177,498	(5,635,864)
Sick leave	(167,700)	911,495
Deferred inflows of resources related to OPEB (District plan)	(226,627)	782,280
Deferred inflows of resources related to pensions (WRS)	(4,759,369)	(4,768,320)
Net cash from operating activities	\$ (40,439,123)	\$ (38,230,228)
Noncash capital and related financing activities:		
Capital assets in accounts payable	\$ 186,129	\$ -
Issuance of subscription liabilities	712,800	802,203

See accompanying notes to financial statements.

Northwood Technical College District

Fiduciary Funds – Northwood Tech Postemployment Benefits Trust

Statements of Net Position

Years Ended June 30, 2025 and 2024

	2025	2024
Assets:		
Cash and investments	\$ 2,968,042	\$ 3,790,954
Due from College	365,000	-
Total assets	3,333,042	3,790,954
Net Position:		
Net position available for benefits	\$ 3,333,042	\$ 3,790,954

See accompanying notes to the basic financial statements.

Northwood Technical College District

Fiduciary Funds- Northwood Tech Postemployment Benefits Trust

Statements of Changes in Net Position

Years Ended June 30, 2025 and 2024

	2025	2024
Additions		
Employer contributions	\$ 365,000	\$ 365,000
Interest	283,535	297,139
Total additions	648,535	662,139
Deductions		
Administrative expense	18,071	16,705
Benefit paid	1,088,376	1,151,147
Total deductions	1,106,447	1,167,852
Change in net position	(457,912)	(505,713)
Net position - Beginning of year	3,790,954	4,296,667
Net position - End of year	\$ 3,333,042	\$ 3,790,954

See accompanying notes to the basic financial statements.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

The financial statements of the Northwood 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 College are described below.

Reporting Entity

The Northwood Technical College District was organized in 1972 under state legislation enacted in 1911 establishing vocational, technical and adult education. The District is fully accredited by the Higher Learning Commission of the North Central Association Commission on Accreditation. The geographic area of the District is comprised of all or part of 11 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 and a comprehensive adult education program.

As the District's governing authority, the Board's powers include:

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

The accompanying financial statements present the activities of the Northwood Technical College District. Accounting principles generally accepted in the United States require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the financial statements.

The Northwood Technical College District 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. Since the financial resources of the Foundation are significant to the District as a whole, the Foundation is presented as a discretely presented component unit of the District. Separately issued financial statements of the Foundation may be obtained from the Foundation Administrative Office.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting and Financial Statement Presentation

The District's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, assets, deferred outflows of resources, liabilities and deferred inflows of resources 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, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is 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.

Use of Estimates

The preparation of accompanying financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that directly affect the results of reported assets deferred outflows of resources; liabilities; deferred inflows of resources; revenues, and expenses. Actual results may differ from these estimates.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 six months or less from date of acquisition.

State Statutes permit the District to invest available cash balances in time deposits of authorized depositories, U.S. Treasury obligations, U.S. government agency issues, municipal obligations of Wisconsin municipal entities, 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 Wisconsin Investment Series Cooperative and the Local Government Investment Pool, which are reported at amortized cost. Investment income includes changes in fair value of investments, interest, and realized gains and losses.

Receivables

All accounts receivable are shown at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as quoted market prices in active markets that are either assets or liabilities; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on techniques that maximize the use of relevant observable inputs and minimized the use of unobservable inputs.

Inventories and Prepaid Expense

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 the individual inventory items are consumed rather than when purchased. Prepaid expenses represent payments made by the District for which benefits extend beyond June 30.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 mid-year convention over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared no longer needed by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 3 to 7 years for equipment, 15 years for site improvements, 20 years for remodeling and 40 years for buildings.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized.

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

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is dependent upon the event or circumstance in which the impairment occurred. Impairment losses, if any, are recorded in the statements of revenues, expenses, and changes in net position. There were no impairment losses recorded in the year ended June 30, 2025 and 2024.

Lease Accounting

The District is a lessee in multiple noncancelable operating leases. If the contract provides the District the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred. The ROU assets for the leases are amortized on a straight-line basis over the life of the related lease.

The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the District's incremental borrowing rate. The District's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

Northwood Technical College District

Notes to the Basic 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. At this time, the District has two items that qualify for reporting in this category. The deferred outflows of resources related to pensions represents the District's proportionate share of collective deferred outflows of resources related to pensions and District contributions to pension plans subsequent to the measurement date of the collective net pension liability (asset). The deferred outflows of resources related to OPEB represent the differences between expected and actual experience, changes in assumptions used, and the net difference between projected and actual earnings on OPEB plan investments used in the calculation of the total OPEB liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At this time, the District has two items that qualify for reporting in this category. The deferred inflows of resources related to pensions represents the District's proportionate share of the collective deferred inflows of resources related to pensions. The deferred inflows of resources related to OPEB represent changes in assumptions used in the calculation of the total OPEB liability.

Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts

Vacation - District employees are granted vacation in varying amounts, based on length of service and staff classifications. Vacation not used by June 30 of the fiscal year will be moved into a reserve bank up to the designated limit. The Reserve bank may only be used for leave under FMLA and post-employment retirement medical benefit. Liabilities for vacation and salary-related payments, including social security taxes, are recorded when incurred.

Sick Leave - The District's policy allows employees to earn varying amounts of sick pay based on the length of service and staff classification. The accumulated sick leave does not vest unless criteria are met for payment upon retirement as described in Note 10. Amounts have been recorded consistent with the compensated absences reporting standards of GASB Statement No. 101, Accounting for Compensated Absences.

Postemployment Benefits Other Than Pension Benefits - For purposes of measuring the net OPEB liability (asset), 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.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Pensions

The fiduciary net position of the Wisconsin Retirement System (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/deduction 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.

Restricted Assets

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

Net Position

Net position is classified according to restrictions or availability of assets for District obligations. Net investment in capital assets, consists of capital assets, lease assets, and subscription based IT arrangement (SBITA) assets, net of accumulated depreciation and amortization, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets, lease assets, or SBITA 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 does 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.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property Tax Levy (Continued)

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, and 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.

	2025	2024
Operating purposes	\$ 0.10035	\$ 0.10249
Debt service requirements	0.13935	0.14907
Totals	\$ 0.23970	\$ 0.25156

State and Federal Revenues

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

Tuition and Fees

Student tuition and fees are recorded, net of scholarships, as revenue 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.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 aid (loans, funds provided to students as awarded by third parties, and Federal Direct Lending) 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 basic financial statements as operating expenses or scholarship allowances, which reduce revenues. 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.

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.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 2: Cash and Investments

Deposits

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2025, none of the District's bank balance of \$3,199,589 was exposed to custodial credit risk.

Investments

Interest Rate Risk - 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 Statute limits the maturity of commercial paper and corporate bonds to not more than seven years.

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

The chart below summarizes the credit quality of the District's holdings:

Investment Type	Credit Rating	Fair Value
Equity mutual funds	N/A	\$ 815,783
Bond mutual funds	N/A	2,010,020
Money market mutual funds	Not rated	142,239
WISC Investment Series Cooperative - Investment Series	AAAm	1,652,763
Wisconsin Local Government Investment Pool	N/A	<u>21,809,270</u>
		<u>\$ 26,430,075</u>

Northwood Technical College District

Notes to the Basic Financial Statements

Note 2: Cash and Investments (Continued)

The Wisconsin Investment Series Cooperative (WISC) was created in 1988 and is a comprehensive cash management program exclusively for Wisconsin school districts, technical college districts, municipalities, and other public entities. An investment in the fund represents an undivided beneficial ownership interest in the assets of WISC and the securities and investments in which the assets of WISC are invested. WISC was established pursuant to an Intergovernmental Cooperation Agreement under the Wisconsin intergovernmental cooperation statute, Wisconsin Statutes, Section 66.0301. WISC is governed by a commission (the "Commission") in accordance with the terms of the Intergovernmental Cooperation Agreement. The Commission has full power, control and authority (including delegative authority) over the affairs, investments and assets of the fund. WISC currently consists of the Cash Management Series and the Investment Series. Each of these series is invested in a separate portfolio of permitted investments. The WISC is not registered with the Securities Exchange Commission (SEC) as an investment company. The WISC reports to participants on the amortized cost basis. The 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 investment in WISC is not subject to the fair value hierarchy disclosures. Annually audited financial statements of WISC are provided to all participants.

The District is a participant in the Wisconsin Local Government Investment Pool (LGIP) which is authorized in Wisconsin Statutes 25.14 and 25.17 under the oversight of the State of Wisconsin Investment Board. The LGIP is not registered with the SEC as an investment company. The LGIP operates and reports to participants on the amortized cost basis. The LGIP shares are bought and redeemed at \$1 based on the amortized cost of the investments in the LGIP. The investment in the LGIP is not subject to the fair value hierarchy disclosures.

The District's cash and investment balances at June 30 were as follows:

	Maturity	2025	2024
Wisconsin Investment Series Cooperative Investment Series	<1 year	\$ 1,652,763	\$ 4,575,439
Wisconsin Local Government Investment Pool	<1 year	21,809,270	23,463,169
Mutual funds:			
Equity		815,783	1,042,114
Bond		2,010,020	2,406,420
Money Market		142,239	342,420
Total investments (considered cash equivalents)		26,430,075	31,829,562
Cash deposits with financial institutions carrying amount		2,550,601	2,719,116
Petty cash		5,935	5,954
Less: Cash and investments held by fiduciary funds		(2,968,042)	(3,790,954)
Cash and investments reported on statements of net position		\$ 26,018,569	\$ 30,763,678

Northwood Technical College District

Notes to the Basic Financial Statements

Note 2: Cash and Investments (Continued)

The following table presents the assets measured at fair value other than those measured at amortized cost or net asset value (NAV), at June 30:

	2025		
	Level 1	Level 2	Total
Equity mutual funds	\$ -	\$ 815,783	\$ 815,783
Bond mutual funds	-	2,010,020	2,010,020
Total cash and investments	\$ -	\$ 2,825,803	\$ 2,825,803

The District's investments in WISC and LGIP are measured at amortized cost, which approximates fair value. The District's investment in the money market mutual funds is measured at NAV.

Cash and investments are classified as follows on June 30:

	2025	2024
Restricted for:		
Debt service	\$ 8,873,489	\$ 8,457,178
Capital projects	595,197	5,568,280
Total restricted	9,468,686	14,025,458
Unrestricted	16,549,883	16,738,220
Total cash and investments	\$ 26,018,569	\$ 30,763,678

Note 3: Accounts Receivable

Accounts receivable consisted of the following on June 30:

	2025	2024
Student tuition and fees	\$ 859,671	\$ 642,109
Intergovernmental	1,426,560	1,015,922
Contracted services	647,598	1,360,298
Other	32,486	197,250
Totals	\$ 2,966,315	\$ 3,215,579

Northwood Technical College District

Notes to the Basic Financial Statements

Note 4: Capital Assets

Capital asset balances and activity were as follows for the year ended June 30, 2025:

	2025			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated/amortized:				
Land	\$ 627,114	\$ -	\$ -	\$ 627,114
Construction in progress	1,781,092	2,123,895	1,781,091	2,123,896
Subscription asset development	2,404,420	1,253,124	670,950	2,986,594
Total capital assets not being depreciated/amortized	4,812,626	3,377,019	2,452,041	5,737,604
Capital assets being depreciated/amortized:				
Site Improvements	5,379,112	72,476	-	5,451,588
Buildings and Improvements	91,318,275	4,366,852	-	95,685,127
Equipment	40,575,485	5,788,851	802,791	45,561,545
Lease asset	70,277	-	-	70,277
Subscription asset	1,824,991	1,383,750	103,751	3,104,990
Total capital assets being depreciated/amortized	139,168,140	11,611,929	906,542	149,873,527
Less accumulated depreciation/amortization for:				
Site Improvements	2,899,151	307,581	-	3,206,732
Buildings and improvements	48,153,941	2,605,273	-	50,759,214
Equipment	29,398,796	2,946,669	354,336	31,991,129
Lease asset	43,731	14,055	-	57,786
Subscription asset	688,397	597,411	103,751	1,182,057
Total accumulated depreciation/amortization	81,184,016	6,470,989	458,087	87,196,918
Total capital assets, being depreciated/amortized - Net of accumulated depreciation/amortization	57,984,124	5,140,940	448,455	62,676,609
Capital assets - Net	\$ 62,796,750	\$ 8,517,959	\$ 2,900,496	\$ 68,414,213

Northwood Technical College District

Notes to the Basic Financial Statements

Note 4: Capital Assets (Continued)

Capital asset balances and activity were as follows for the year ended June 30, 2024:

	2024			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated/amortized:				
Land	\$ 627,114	\$ -	\$ -	\$ 627,114
Construction in progress	-	1,781,092	-	1,781,092
Subscription asset development	1,866,336	538,084	-	2,404,420
Total capital assets not being depreciated/amortized	2,493,450	2,319,176	-	4,812,626
Capital assets being depreciated/amortized:				
Site Improvements	5,369,137	9,975	-	5,379,112
Buildings and Improvements	90,999,886	318,389	-	91,318,275
Equipment	36,719,767	4,517,431	661,713	40,575,485
Lease asset	70,277	-	-	70,277
Subscription asset	1,038,676	883,703	97,388	1,824,991
Total capital assets being depreciated	134,197,743	5,729,498	759,101	139,168,140
Less accumulated depreciation/amortization:				
Site Improvements	2,594,781	304,370	-	2,899,151
Buildings and improvements	45,485,902	2,668,039	-	48,153,941
Equipment	25,959,684	3,747,675	308,563	29,398,796
Lease asset	29,675	14,056	-	43,731
Subscription asset	348,598	437,187	97,388	688,397
Total accumulated depreciation/amortization	74,418,640	7,171,327	405,951	81,184,016
Total capital assets, being depreciated/amortized - Net of accumulated depreciation/amortization	59,779,103	(1,441,829)	353,150	57,984,124
Capital assets - Net	\$ 62,272,553	\$ 877,347	\$ 353,150	\$ 62,796,750

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations

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

	Balance 7/1/2024	Additions	Reductions	Balance 6/30/2025	Amounts Due Within One Year
General obligation notes	\$ 39,455,000	\$ 6,810,000	\$ 7,690,000	\$ 38,575,000	\$ 8,005,000
Premium on general obligation notes	878,672	416,730	262,848	1,032,554	-
Sick leave	3,966,691	530,067	697,766	3,798,992	81,230
Lease obligations	26,973	-	14,212	12,761	12,095
Subscription liabilities	1,044,272	712,800	474,953	1,282,119	297,907
Totals	\$ 45,371,608	\$ 8,469,597	\$ 9,139,779	\$ 44,701,426	\$ 8,396,232

	Balance 7/1/2023	Additions	Reductions	Balance 6/30/2024	Amounts Due Within One Year
General obligation notes	\$ 41,685,000	\$ 5,325,000	\$ 7,555,000	\$ 39,455,000	\$ 7,690,000
Premium on general obligation notes	877,081	203,223	201,632	878,672	-
Sick leave	3,055,195	1,247,632	336,136	3,966,691	101,783
Lease obligations	41,024	-	14,051	26,973	14,211
Subscription liabilities	640,276	815,287	411,291	1,044,272	376,535
Totals	\$ 46,298,576	\$ 7,591,142	\$ 8,518,110	\$ 45,371,608	\$ 8,182,529

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt is comprised of the following individual issues at June 30:

	2025	2024
General Obligation Series 2015D, US Bank Corporate Trust Services Issued: December 7, 2015 / Maturity: October 1, 2025 Amount: \$5,160,000 Interest: 1.6405482% paid semiannually on April 1 and October 1 Annual principal payments: \$435,000 to \$635,000 Purpose: Construction, remodeling, and equipment	\$ 470,000	\$ 930,000
General Obligation Series 2016A, US Bank Corporate Trust Services Issued: March 14, 2016 / Maturity: October 1, 2025 Amount: \$3,400,000 Interest: 1.395551% paid semiannually on April 1 and October 1 Annual principal payments: \$395,000 to \$455,000 Purpose: Construction, remodeling, and equipment	455,000	900,000
General Obligation Series 2016B, US Bank Corporate Trust Services Issued: April 14, 2016 / Maturity: October 1, 2025 Amount: \$2,035,000 Interest: 1.444455% paid semiannually on April 1 and October 1 Annual principal payments: \$40,000 to \$320,000 Purpose: Construction, remodeling, and equipment	320,000	635,000
General Obligation Series 2016C, US Bank Corporate Trust Services Issued: May 12, 2016 / Maturity: October 1, 2025 Amount: \$1,500,000 Interest: 1.470865% paid semiannually on April 1 and October 1 Annual principal payments: \$240,000 to \$260,000 Purpose: Construction remodeling	260,000	515,000
Obligation Series 2016D, US Bank Corporate Trust Services Issued: June 6, 2016 / Maturity: October 1, 2025 Amount: \$1,500,000 Interest: 1.388482% paid semiannually on April 1 and October 1 Annual principal payments: \$240,000 to \$265,000 Purpose: Construction remodeling	265,000	520,000

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

	2025	2024
General Obligation Series 2016E, US Bank Corporate Trust Services Issued: June 30, 2016 / Maturity: October 1, 2025 Amount: \$1,500,000 Interest: 1.421840% paid semiannually on April 1 and October 1 Annual principal payments: \$240,000 to \$265,000 Purpose: Construction remodeling	\$ 265,000	\$ 520,000
General Obligation Series 2017A, US Bank Corporate Trust Services Issued: March 21, 2017 / Maturity: October 1, 2026 Amount: \$6,545,000 Interest: 1.8264558% paid semiannually on April 1 and October 1 Annual principal payments: \$100,000 to \$1,805,000 Purpose: Construction, remodeling, and equipment	1,040,000	1,545,000
General Obligation Series 2017B, US Bank Corporate Trust Services Issued: December 29, 2017 / Maturity: October 1, 2027 Amount: \$2,750,000 Interest: 2.035455% paid semiannually on April 1 and October 1 Annual principal payments: \$285,000 to \$630,000 Purpose: Construction, remodeling, and equipment	920,000	1,215,000
General Obligation Series 2018A, US Bank Corporate Trust Services Issued: May 7, 2018 / Maturity: October 1, 2026 Amount: \$3,750,000 Interest: 2.3089620% paid semiannually on April 1 and October 1 Annual principal payments: \$485,000 to \$765,000 Purpose: Construction, remodeling, and equipment	1,015,000	1,500,000
General Obligation Series 2018B, US Bank Corporate Trust Services Issued: June 11, 2018 / Maturity: October 1, 2024 Amount: \$1,500,000 Interest: 2.520777% paid semiannually on April 1 and October 1 Annual principal payments: \$740,000 to \$760,000 Purpose: Construction, remodeling, and equipment	-	760,000
General Obligation Series 2018C, US Bank Corporate Trust Services Issued: December 28, 2018 / Maturity: October 1, 2027 Amount: \$3,000,000 Interest: 2.4873101% paid semiannually on April 1 and October 1 Annual principal payments: \$100,000 to \$430,000 Purpose: Construction, remodeling, and equipment	955,000	1,250,000

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

	2025	2024
General Obligation Series 2019A, US Bank Corporate Trust Services Issued: May 6, 2019 / Maturity: October 1, 2027 Amount: \$1,500,000 Interest: 2.032409% paid semiannually on April 1 and October 1 Annual principal payments: \$280,000 to \$320,000 Purpose: Construction remodeling	\$ 930,000	\$ 1,220,000
General Obligation Series 2019B, US Bank Corporate Trust Services Issued: June 10, 2019 / Maturity: October 1, 2027 Amount: \$1,000,000 Interest: 1.863863% paid semiannually on April 1 and October 1 Annual principal payments: \$155,000 to \$180,000 Purpose: Construction remodeling	520,000	685,000
General Obligation Series 2019C, US Bank Corporate Trust Services Issued: July 29, 2019 / Maturity: October 1, 2025 Amount: \$1,500,000 Interest: 1.650249% paid semiannually on April 1 and October 1 Annual principal payments: \$350,000 to \$415,000 Purpose: Construction remodeling	415,000	790,000
General Obligation Series 2019D, US Bank Corporate Trust Services Issued: December 30, 2019 / Maturity: October 1, 2027 Amount: \$2,910,000 Interest: 1.356674% paid semiannually on April 1 and October 1 Annual principal payments: \$180,000 to \$530,000 Purpose: Construction, remodeling and equipment	890,000	1,410,000
General Obligation Series 2020A, US Bank Corporate Trust Services Issued: June 30, 2020 / Maturity: October 1, 2028 Amount: \$4,000,000 Interest: 0.9222098% paid semiannually on April 1 and October 1 Annual principal payments: \$450,000 to \$550,000 Purpose: Construction, remodeling, site improvements and equipment	2,115,000	2,610,000
General Obligation Series 2020B, US Bank Corporate Trust Services Issued: December 7, 2020 / Maturity: October 1, 2028 Amount: \$4,075,000 Interest: 0.6409340% paid semiannually on April 1 and October 1 Annual principal payments: \$200,000 to \$890,000 Purpose: Construction, remodeling, site improvements and equipment	2,200,000	3,045,000

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

	2025	2024
General Obligation Series 2021A, US Bank Corporate Trust Services Issued: June 30, 2021 / Maturity: October 1, 2028 Amount: \$3,000,000 Interest: 1.0684636% paid semiannually on April 1 and October 1 Annual principal payments: \$200,000 to \$890,000 Purpose: Construction, remodeling, site improvements and equipment	\$ 3,000,000	\$ 3,000,000
General Obligation Series 2021B, US Bank Corporate Trust Services Issued: December 7, 2021 / Maturity: October 1, 2029 Amount: \$4,750,000 Interest: 1.1311331% paid semiannually on April 1 and October 1 Annual principal payments: \$100,000 to \$900,000 Purpose: Construction, remodeling, site improvements and equipment	4,525,000	4,650,000
General Obligation Series 2022A, US Bank Corporate Trust Services Issued: June 7, 2022 / Maturity: October 1, 2030 Amount: \$1,500,000 Interest: 2.9144450% paid semiannually on April 1 and October 1 Annual principal payments: \$170,000 to \$205,000 Purpose: Construction, remodeling, site improvements and equipment	1,155,000	1,330,000
General Obligation Series 2022B, US Bank Corporate Trust Services Issued December 13, 2022 / Maturity: October 1, 2030 Amount: \$3,600,000 Interest: 3.0326750% paid semiannually on April 1 and October 1 Annual principal payments: \$275,000 to \$630,000 Purpose: Construction, remodeling, site improvements and equipment	3,325,000	3,600,000
General Obligation Series 2023A, US Bank Corporate Trust Services Issued: May 5, 2023 / Maturity: October 1, 2031 Amount: \$1,500,000 Interest: 3.5004612% paid semiannually on April 1 and October 1 Annual principal payments: \$100,000 to \$235,000 Purpose: Construction, remodeling, site improvements and equipment	1,400,000	1,500,000
General Obligation Series 2023B, US Bank Corporate Trust Services Issued: December 19, 2023 / Maturity: October 1, 2029 Amount: \$2,690,000 Interest: 3.1206059% paid semiannually on April 1 and October 1 Annual principal payments: \$625,000 to \$720,000 Purpose: Construction, remodeling, site improvements and equipment	2,690,000	2,690,000

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

	2025	2024
General Obligation Series 2024A, US Bank Corporate Trust Services Issued: March 26, 2024/ Maturity: October 1, 2030 Amount: \$2,635,000 Interest: 2.8188241% paid semiannually on April 1 and October 1 Annual principal payments: \$490,000 to \$565,000 Purpose: Construction, remodeling, site improvements and equipment	\$ 2,635,000	\$ 2,635,000
General Obligation Series 2024B, US Bank Corporate Trust Services Issued: October 1, 2024/ Maturity: October 1, 2031 Amount: \$3,000,000 Interest: 2.7838447% paid semiannually on April 1 and October 1 Annual principal payments: \$440,000 to \$565,000 Purpose: Construction, remodeling, site improvements and equipment	3,000,000	-
General Obligation Series 2025A, US Bank Corporate Trust Services Issued: January 27, 2025/ Maturity: October 1, 2031 Amount: \$3,810,000 Interest: 3.0863386% paid semiannually on April 1 and October 1 Annual principal payments: \$450,000 to \$725,000 Purpose: Construction, remodeling, site improvements and equipment	3,810,000	-
Total general obligation debt	\$ 38,575,000	\$ 39,455,000

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, 2025, are calculated as follows:

Legal debt limit (5% of \$61,769,000,688)	\$ 3,088,450,035
Less: Long-term debt applicable to debt margin	(38,575,000)
Plus: Restricted net position available for debt service	8,577,760
Margin of indebtedness	\$ 3,058,452,795

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 in the District. This limit was \$1,235,380,014 at June 30, 2025. The District had no outstanding bonded indebtedness.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

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

Year Ended June 30,	Principal	Interest	Totals
2026	\$ 8,005,000	\$ 1,015,971	\$ 9,020,971
2027	7,565,000	788,606	8,353,606
2028	7,675,000	584,275	8,259,275
2029	6,545,000	394,313	6,939,313
2030	4,395,000	240,550	4,635,550
2031-2032	4,390,000	160,388	4,550,388
Totals	\$ 38,575,000	\$ 3,184,103	\$ 41,759,103

Lease Liabilities

The District, as a lessee, has entered into lease agreements with Quaident Leasing USA involving postage machines at four locations, New Richmond, Rice Lake, Ashland, and Superior. The lease term is for 5 years. The lease liabilities were measured at a discount rate of 1.13%. The lease will expire on March 23, 2026 for New Richmond and Rice Lake, June 17, 2026 for Superior, and July 7, 2026 for Ashland.

Future minimum lease payments were as follows for the year ended June 30, 2025:

	Principal	Interest	Total
2026	\$ 12,095	\$ 84	\$ 12,179
2027	666	2	668
Totals	\$ 12,761	\$ 86	\$ 12,847

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

Subscription Liabilities

The District has entered into the following noncancelable SBITA agreements with third parties.

	2025	2024
Maxient LLC Issuance: November 1, 2022 / End: October 31, 2027 Amount: \$27,779 discounted at 4.00%	\$ 11,317	\$ 16,651
ESM Solutions Corporation Issuance: September 30, 2022 / End: September 29, 2025 Amount: \$45,583 discounted at 4.00%	-	15,187
VelocityEHS Issuance: December 18, 2022 / End: December 17, 2025 Amount: \$6,168 discounted at 4.00%	-	2,055
Blackboard Inc. Issuance: December 27, 2022 / End: December 27, 2025 Amount: \$136,628 discounted at 4.00%	-	45,519
iCIMS, Inc. Issuance September 30, 2022 / End: September 29, 2028 Amount: \$222,541 discounted at 4.00%	118,606	152,800
Oracle America Inc. Issuance: July 1, 2022 / End: June 30, 2025 Amount: \$56,270 discounted at 4.00%	-	19,315

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

	2025	2024
<p>Augusoft, Inc. Issuance: September 1, 2022 / End: August 31, 2025 Amount: \$240,123 discounted at 4.00%</p>	\$ -	\$ 80,000
<p>Anthology Inc. Accreditation Module Issuance: July 1, 2022 / End: June 30, 2024 Amount: \$66,761 discounted at 4.00%</p>	49,129	54,669
<p>Anthology Inc. Occupation Insight Module Issuance: July 1, 2022 / End: June 30, 2032 Amount: \$43,127 discounted at 4.00%</p>	31,443	34,988
<p>TCP TimeClock Plus Issuance: July 1, 2023 / End: June 30, 2028 Amount: \$115,230 discounted at 4.13%</p>	69,062	90,282
<p>AkitaBox Facilities Management Software Issuance: February 1, 2024 / End: January 30, 2029 Amount: \$169,262 discounted at 3.83%</p>	103,567	134,195
<p>Microsoft Azure SaaS Virtual Machines Issuance: June 25, 2024/ End: June 25, 2027 Amount: \$39,049 discounted at 4.45%</p>	25,450	37,893
<p>Talent Development SAAS Cornerstone Issuance: June 30, 2024/ End: June 29, 2027 Amount: \$57,137 discounted at 4.52%</p>	19,519	37,719
<p>Content Anytime Public Sector Cornerstone Issuance: June 30, 2024/ End: June 29, 2027 Amount: \$48,539 discounted at 4.52%</p>	16,169	31,639

Northwood Technical College District

Notes to the Basic Financial Statements

Note 5: Long-Term Obligations (Continued)

	2025	2024
Rave		
Rave Mobile Safety		
Issuance: April 15, 2024/ End: April 15, 2029		
Amount: \$24,584 discounted at 4.65%	\$ 14,730	\$ 19,210
Touchnet		
Touchnet Information Systems		
Issuance: October 1, 2023 / End: October 30, 2027		
Amount: \$348,401 discounted at 4.72%	208,745	272,150
Anthology		
Anthology Finance, HCM & Payroll		
Issuance: July 1, 2024 / End: July 1, 2031		
Amount: \$712,800 discounted at 4.45%	614,382	-
Totals	\$ 1,282,119	\$ 1,044,272

Future minimum subscription payments were as follows for the year ended June 30, 2025:

Year Ended June 30,	Principal	Interest	Totals
2026	\$ 297,907	\$ 55,599	\$ 353,506
2027	277,092	42,622	319,714
2028	273,830	30,906	304,736
2029	98,850	19,057	117,907
2030	104,965	14,710	119,675
2031-2032	229,475	15,288	244,763
Totals	\$ 1,282,119	\$ 178,182	\$ 1,460,301

Northwood Technical College District

Notes to the Basic Financial Statements

Note 6: Employee Retirement Plans - Wisconsin Retirement System

Plan Description

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found online at <https://etf.wi.gov/about-eft/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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

Vested participants may retire at or after age 55 (50 for protective occupation employees) 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.

Northwood Technical College District

Notes to the Basic Financial Statements

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

Postretirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2015	2.9 %	2.0 %
2016	0.5 %	(5.0)%
2017	2.0 %	4.0 %
2018	2.4 %	17.0 %
2019	- %	(10.0)%
2020	1.7 %	21.0 %
2021	5.1 %	13.0 %
2022	7.4 %	15.0 %
2023	1.6 %	(21.0)%
2024	3.6 %	15.0 %

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and 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.

During the reporting period, the WRS recognized \$2,075,705 in contributions from the employer.

Northwood Technical College District

Notes to the Basic Financial Statements

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

Contribution rates as of June 30, 2025 and 2024, are as follows:

Employee Category	2025		2024	
	Employee	Employer	Employee	Employer
General (including teachers, executives, and elected officials)	6.90%	6.90%	6.90%	6.90%
Protective with Social Security	6.90%	14.30%	6.90%	14.30%
Protective without Social Security	6.90%	19.10%	6.90%	19.10%
Act 4 Protective County Jailers	14.30%	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 \$2,350,424 and \$2,172,926 for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 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 and 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 proportionate share 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 0.14304246% and 0.14614729%, which was a decrease of 0.00310483% from its proportion measured as of the prior year.

For the year ended June 30, 2025 and 2024, the District recognized pension expense of \$2,157,311 and \$543,831.

Northwood Technical College District

Notes to the Basic Financial Statements

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

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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	\$ 7,299,353	\$ 6,859,103	\$ 8,761,218	\$ 11,604,288
Change in assumptions	697,416	-	947,116	-
Net differences between projected and actual earnings on pension plan investments	3,571,594	-	7,572,297	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	66,666	-	93,917	14,184
Employer contributions subsequent to the measurement date	1,037,925	-	999,663	-
Totals	\$ 12,672,954	\$ 6,859,103	\$ 18,374,211	\$ 11,618,472

Deferred outflows 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 subsequent year. 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	Net Deferred Outflows (Inflows) of Resources
2026	\$ 1,456,575
2027	4,892,199
2028	(1,199,965)
2029	(372,883)

Northwood Technical College District

Notes to the Basic Financial Statements

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

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 Published November 19, 2024	January 1, 2018- December 31, 2020 Published November 19, 2021
Actuarial cost method	Entry Age Normal	Entry Age normal
Asset valuation method	Fair Value	Fair Value
Long-term expected rate of return	6.8%	6.8%
Discount rate	6.8%	6.8%
Salary Increases:		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.7%	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table	2020 WRS Experience Mortality Table
Postretirement adjustments*	1.7%	1.7%

**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. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

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 seniority (merit) and separation rates. The Total Pension Liability for December 31, 2024 and 2023, are based upon a rollforward of the liability calculated from the December 31, 2023 and 2022, actuarial valuation.

Northwood Technical College District

Notes to the Basic Financial Statements

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

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

Asset Class	December 31, 2024		
	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund:			
Public Equity	38.0%	7.0%	4.3%
Public Fixed Income	27.0%	6.1%	3.4%
Private Equity/Debt	20.0%	9.5%	6.7%
Inflation Sensitive	19.0%	4.8%	2.1%
Real Estate	8.0%	6.5%	3.8%
Leverage	(12.0)%	3.7%	1.1%
Total core fund	100.0%	7.5%	4.8%
Variable fund :			
U.S. equities	70.0%	6.5%	3.8%
International equities	30.0%	7.4%	4.7%
Total variable fund	100.0%	6.9%	4.2%

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

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.60%

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 up to 20%

Northwood Technical College District

Notes to the Basic Financial Statements

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

Actuarial Assumptions (Continued)

Asset Class	December 31, 2023		
	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund:			
Public Equity	40.0%	7.3%	4.5%
Public Fixed Income	27.0%	5.8%	3.0%
Inflation Sensitive	19.0%	4.4%	1.7%
Real Estate	8.0%	5.8%	3.0%
Private Equity/Debt	18.0%	9.6%	6.7%
Leverage	(12.0)%	3.7%	1.0%
Total core fund	100.0%	7.4%	4.6%
Variable fund:			
U.S. equities	70.0%	6.8%	4.0%
International equities	30.0%	7.6%	4.8%
Total variable fund	100.0%	7.3%	4.5%

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

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.70%

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 up to 20%

Northwood Technical College District

Notes to the Basic Financial Statements

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

Actuarial Assumptions (Continued)

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 2023) and a municipal bond rate of 4.08% (2024) and 3.77% (2023). (Source: "20-Bond Go Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024 and 2023. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of the 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 the 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.

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 of 6.8%, 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 (5.8%) or 1 percentage point higher (7.8%) than the current rate:

	2025		2024	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to discount rate	5.8%	\$ 22,050,049	5.8%	\$ 21,002,385
Current discount rate	6.8%	2,350,424	6.8%	2,172,926
1% increase to discount rate	7.8%	(11,645,594)	7.8%	(11,002,842)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Northwood Technical College District

Notes to the Basic Financial Statements

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

Payables to the Pension Plan

At June 30, 2025 and 2024, the District reported a payable of \$323,942 and \$308,773 for the outstanding amount of contributions to the pension plan required for the year ended.

Note 7: Pension Benefits

Faculty, management, office and technical support employees may be eligible to participate in the District's 403(b) match program. Faculty hired prior to January 1, 2008, have the choice to participate in the match by electing a match amount varying from \$0 to \$1,400 per year based upon years of service with a \$9,500 lifetime maximum or 2.0% of base salary without a lifetime maximum. Faculty had until July 1, 2011, to make their choice. Faculty hired on January 1, 2008, or after are eligible for a contribution match up to 2.0% of their base salary with no lifetime maximum, beginning in the third year of employment.

Management employees can elect to participate in the 403(b) match program beginning with the third full year of employment. The match is a dollar-for-dollar match up to 2.0% of their annual base salary. Management employees hired prior to July 1, 1993, may elect to participate in the match program, but will forfeit their eligibility for the Special Early Retirement Program. Management employees hired after July 1, 1993, are not eligible for the Special Early Retirement Program.

Office and technical support employees hired after January 1, 2009, who are eligible for benefits, can elect to participate in the 403(b) match program beginning with the third full year of employment. The match will be a dollar-for-dollar match up to 2.0% of their annualized salary. Eligible employees will elect participation each year.

The District's contributions for this program for the years ending June 30, 2025 and 2024, were \$374,805 and \$405,505, respectively.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 8: Postemployment Benefits Other Than Pension Benefits

In addition to the pension benefits described in Notes 7 and 8, the District provides postemployment health insurance benefits to all eligible staff members based upon the years of service with the District and accumulated sick leave at retirement.

Retiree Health Insurance

The District administers a single-employer defined benefit health care plan. The plan provides funds for medical benefits to eligible retirees and their spouses through the District's group medical insurance plan, which covers both active and retired members. Benefit provisions are established through district policy administered through an employee handbook. The plan does not issue a standalone report. The eligibility requirements are based on the retiree's position, years of service, date of hire, and age at retirement. The benefit to be received by the employee is based on the retiree's position and years of service (if applicable) at retirement.

The Membership of the plan consisted of 107 retirees receiving benefits and 369 active plan members at June 30, 2023, the date of the latest actuarial valuation.

The contribution requirements of plan members are based on district policy as administered through the employee handbook in effect on the date of retirement. The District's contribution is established annually based on an amount to pay current premiums and an additional amount to pre-fund benefits. For fiscal year 2025, the District contributed \$365,000 to the plan, which was all for current benefits. For fiscal year 2024, the District contributed \$365,000 to the plan, which was all for current benefits.

The OPEB plan investment policies and investment disclosures are discussed in Note 1 and Note 2. Currently the plan is invested in various mutual funds. For June 30, 2025 and 2024 the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 8.43% and 6.31%. The money-weighted rate of return expresses the investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net OPEB liability (asset) for the District at June 30, 2025 and 2024, are as follows:

	2025	2024
Total OPEB liability	\$ 4,631,269	\$ 5,529,093
Plan fiduciary net position	3,333,042	3,790,954
Net OPEB liability	\$ 1,298,227	\$ 1,738,139
Plan fiduciary net position as a percentage of the total OPEB liability	71.97%	68.56%

Northwood Technical College District

Notes to the Basic Financial Statements

Note 8: Postemployment Benefits Other Than Pension Benefits (Continued)

Retiree Health Insurance (Continued)

The net OPEB liability was measured as of June 30, 2025 and 2024, the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. Since the District's assets are held mainly as fixed income, the discount rate is reflective of a 20-year AA municipal bond rate as of the measurement date. The actuarial assumptions included an inflation rate of 2.5% at June 30, 2025. The health care trend rate is 7.0% initially decreasing to 6.5%. Mortality assumptions are based on 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 for June 30, 2024 and 2023.

The long term expected rate of return on OPEB plan investments was determined using the 20-year AA municipal bond rate as of the measurement date.

<u>Asset Class</u>	2025 Long-Term Expected Rate of Return	2024 Long-Term Expected Rate of Return
Savings Account	6.00%	6.00%
Local government bond	6.00%	6.00%
External investment pool	6.00%	6.00%

Changes in the Net OPEB Liability for the year ended June 30, 2025, are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balances at June 30, 2024	\$5,529,093	\$3,790,954	\$1,738,139
Changes for the year:			
Service cost	52,781	-	52,781
Interest	300,678	-	300,678
Differences between expected and actual experience	(162,907)	-	(162,907)
Contributions - Employer	-	365,000	(365,000)
Net investment income	-	283,535	(283,535)
Benefit payments	(1,088,376)	(1,088,376)	-
Administrative Expense	-	(18,071)	18,071
Net changes	(897,824)	(457,912)	(439,912)
Balances at June 30, 2025	\$ 4,631,269	\$ 3,333,042	\$ 1,298,227

Northwood Technical College District

Notes to the Basic Financial Statements

Note 8: Postemployment Benefits Other Than Pension Benefits (Continued)

Retiree Health Insurance (Continued)

Changes in the Net OPEB Liability for the year ended June 30, 2024, are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balances at June 30, 2023	\$7,487,651	\$4,296,667	\$3,190,984
Changes for the year:			
Service cost	93,690	-	93,690
Interest	243,562	-	243,562
Difference between expected and actual experience	(727,326)	-	(727,326)
Changes of assumptions or other input	(417,337)	-	(417,337)
Contributions - Employer	-	365,000	(365,000)
Net investment income	-	297,139	(297,139)
Benefit payments	(1,151,147)	(1,151,147)	-
Administrative expense	-	(16,705)	16,705
Net changes	(1,958,558)	(505,713)	(1,452,845)
Balances at June 30, 2024	\$ 5,529,093	\$ 3,790,954	\$ 1,738,139

Northwood Technical College District

Notes to the Basic Financial Statements

Note 8: Postemployment Benefits Other Than Pension Benefits (Continued)

Retiree Health Insurance (Continued)

The following presents the net OPEB liability of the District, calculated using the discount rate of 6.00%, as of June 30, 2025 and 2024, as well as what the District's 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:

The following presents the liability as of June 30, 2025:

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Total OPEB liability	\$ 4,754,426	\$ 4,631,269	\$ 4,511,272
Fiduciary Net Position	3,333,042	3,333,042	3,333,042
Net OPEB Liability	\$ 1,421,384	\$ 1,298,227	\$ 1,178,230

The following presents the liability as of June 30, 2024:

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Total OPEB liability	\$ 5,685,156	\$ 5,529,093	\$ 5,377,951
Fiduciary Net Position	3,790,954	3,790,954	3,790,954
Net OPEB Liability	\$ 1,894,202	\$ 1,738,139	\$ 1,586,997

The following presents the District's net OPEB liability calculated using the healthcare cost trend rate of 7.0% decreasing to 6.5%, then decreasing by 0.10% per year down to 4.5%, and level thereafter for June 30, 2025, and 2024 as well as what the District's net 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.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 8: Postemployment Benefits Other Than Pension Benefits (Continued)

Retiree Health Insurance (Continued)

The following presents the liability as of June 30, 2025:

	1% Decrease (6.0% decreasing to 3.5%)	Health Care Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB liability	\$ 4,453,900	\$ 4,631,269	\$ 4,807,215
Fiduciary Net Position	3,333,042	3,333,042	3,333,042
Net OPEB liability	\$ 1,120,858	\$ 1,298,227	\$ 1,474,173

The following presents the liability as of June 30, 2024:

	1% Decrease (6.0% decreasing to 3.5%)	Health Care Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase 8.0% decreasing to 5.5%)
Total OPEB liability	\$ 5,363,738	\$ 5,529,093	\$ 5,693,275
Fiduciary Net Position	3,790,954	3,790,954	3,790,954
Net OPEB liability	\$ 1,572,784	\$ 1,738,139	\$ 1,902,321

For the year ended June 30, 2025 and 2024, the District recognized OPEB expense of \$(67,969) and \$1,410,340 respectively.

The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources as of June 30:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 799,932	\$ -	\$ 936,864
Change in assumptions or other input	-	298,366	-	388,061
Net differences between projected and actual earnings on OPEB plan investments	11,967	-	245,537	-
Total	\$ 11,967	\$ 1,098,298	\$ 245,537	\$ 1,324,925

Northwood Technical College District

Notes to the Basic Financial Statements

Note 8: Postemployment Benefits Other Than Pension Benefits (Continued)

Retiree Health Insurance (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2025 will be recognized in OPEB expense as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2026	\$ (261,144)
2027	(298,686)
2028	(265,754)
2029	(233,594)
2030	(27,153)

At June 30, 2025 and 2024, the District reported a payable of \$0 for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2025 and 2024.

Note 9: Sick Leave

In addition to the other benefits described in Notes 7, 8, and 9, the District makes termination payments to eligible staff members when they retire.

Following are the eligible employee groups and the respective requirements:

Custodians hired on or after 1/1/2008: The employee's hourly rate at time of retirement multiplied by 1.5 times available sick leave hours, which accrue to a maximum of 960 hours, creates a cash pool of dollars to be utilized for medical insurance premiums until the pool exhausts, the employee has 120 months of coverage, or the employee reaches age 70, whichever occurs first. Retiree can choose single, single plus one, or family coverage, and the appropriate premium will be deducted from the pool. Employees must be age 57 1/2, give 6 months' notice, and have 15 continuous years of service.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 9: Sick Leave (Continued)

Faculty hired on or after 1/1/2008: Faculty with 10 or more years of continuous service receive a cash pool of dollars to pay for medical insurance. The pool amount is based on the hourly rate at time of retirement times sick leave hours available to a maximum of 840 hours. A proration factor based on years of service is also included as follows:

- 10 years – 50% of sick leave or maximum of 420 hours, maximum 60 months of coverage
- 11 years – 60% of sick leave or maximum of 504 hours, maximum 72 months of coverage
- 12 years – 70% of sick leave or maximum of 588 hours, maximum 84 months of coverage
- 13 years – 80% of sick leave or maximum of 672 hours, maximum 96 months of coverage
- 14 years – 90% of sick leave or maximum of 756 hours, maximum 108 months of coverage
- 15 years – 100% of sick leave or maximum of 840 hours, maximum 120 months of coverage

The employee must be age 55 and must give notice by January 15 of the calendar year retiring. Retiree can choose single, single plus one, or family coverage, and the appropriate premium will be deducted from the pool. The benefit expires when one of the following occurs: (1) the balance of sick leave hours is exhausted, or (2) the employee reaches age 70.

Managers hired between July 1, 1993, and June 30, 2003: The employee's hourly rate times available sick leave hours accumulated to maximum of 900 hours creates a cash pool to be utilized for medical insurance premiums until the pool exhausts or the employee reaches age 65. If the pool is exhausted prior to age 65, employees receive an additional 36 months if the accumulated sick leave balance was at least 36 days at the time of retirement. Employee must be at least 55 years of age, have 15 years of continuous full time service, and provide 6 months' notice. Retiree can choose single, single plus one, or family coverage, and the appropriate premium will be deducted from the pool.

The liability for these benefits at June 30, 2025 and 2024, is \$3,798,992 and \$3,966,691 respectively.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 10: Risk Management

Districts Mutual Insurance Company (DMI)

In July 2004, all 16 WTCS technical colleges created the Districts Mutual Insurance Company (DMI) (the "Company"). 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; general liability, auto, and educators' legal liability at \$5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

At this time, settled claims have not approached the coverage limits as identified above. The District's exposure in its layer of insurance is limited to \$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 above \$250,000 per occurrence.

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.

For the years ended June 30, 2025 and 2024, the District paid premiums of \$363,643 and \$350,088, respectively. Future premiums will be based on relevant rating exposure bases as well as the historical loss experienced by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the company.

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

Supplemental Insurance

Northwood Technical College is part of the WTCS Insurance Trust that jointly purchases 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 sixteen Wisconsin Technical College System districts.

The WTCS Insurance Trust has purchased the following levels of coverage from commercial carriers for Northwood Technical College:

Crime - \$750,000 coverage for theft, employee dishonesty, forgery, computer fraud, and funds transfer fraud: \$25,000 coverage for investigation expense; \$2,500 deductible for investigation; and \$15,000 deductible for employee dishonesty, forgery and fraud.

Business Travel Accident - Coverage for local Board of Trustee members, \$100,000 for scheduled losses, assistance services, medical evacuation, and repatriation.

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

Northwood Technical College District

Notes to the Basic Financial Statements

Note 11: Subsequent Events

Subsequent events have been evaluated through , the date the statements were available to be issued.

Note 12: Expense Classification

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

	2025	2024
Salaries and wages	\$ 33,337,782	\$ 32,223,534
Employee benefits	11,961,977	12,292,321
Travel and meetings	1,194,766	1,189,352
Instruction supplies	870,866	632,062
Contracted services	4,350,670	2,450,237
Rentals	68,678	67,448
Insurance	485,637	372,206
Utilities	879,195	878,699
Depreciation	6,470,988	7,171,327
Other	8,413,223	8,472,984
Student aid	2,906,229	3,341,760
Total operating expenses	\$ 70,940,011	\$ 69,091,930

Note 13: Related-Party Transactions

The District is a related party with Northwood Technical College Foundation, Inc. (the "Foundation"). The total expenses (including salaries, benefits, office space, and computer usage) paid by the District for the Foundation were \$94,411 and \$66,615 for the fiscal years ended June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024, there were accounts receivable from the Foundation of \$63,720 and \$65,940, respectively.

The District is a member of the Northwood Technical College, Lakeshore, and Mid-State consortium, a nonprofit organization formed under Section 66.0301 and Chapter 38 of the Wisconsin Statutes. The WILM consortium's purpose is to develop, procure, enhance, and manage a customer-focused, state-of-the-art environment for performing administrative business services for consortium members. It will provide the information service needs of each college for the purpose of improving cost, quality, service, and institutional effectiveness for customers, while meeting federal- and state-mandated requirements. The District's share paid to the consortium was \$534,183 and \$589,319 to cover their expenses for the fiscal years ended June 30, 2025 and 2024, respectively.

The District is a related party with Impact Seven Inc., a subrecipient for the HOMES Grant. Impact Seven received \$1,897,036 for the fiscal year ended June 30, 2025.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 14: Outstanding Contractual Commitments

The District entered into various contracts with construction contractors during the year. The following amounts remain unspent as of June 30, 2025:

Construction Contractors	Amount Remaining
Market & Johnson	\$ 14,773
Systems Technologies	80,297
Benson Electric	17,450
Bey Verte	13,720
Chicago Iron	24,955
Rhom	86,525
Ewald Automotive	161,216
Maruka USA	73,386
OPN	46,860
Countryside Plumbing	14,226
Lab Midwest	124,516
C&A Custom Contractors	539,458
Earthling Interactive	135,000
Graphic House	10,394
Quality Roofing	398,331
Industrial Supply	18,090
Johnson Controls	73,000
Bluum - Line 1 - Stockridge	21,562
Transfer	20,000
Kilgore International	11,696
Henry Schein	26,655
Insight Public Sector	58,648
Total	\$ 1,970,758

Northwood Technical College District

Notes to the Basic Financial Statements

Note 15: Self-Funded Insurance

Through December 31, 2023, the District had retained a portion of the risk of loss for its dental care coverage. As of January 1, 2024, the District has retained a portion of the risk of loss only for its health care coverage. A third-party administrator is responsible for the approval, processing, and payment of claims, after which the District is billed for reimbursement. The District has stop-loss coverage for health care coverage, which pays claims in excess of \$100,000 per individual. The aggregate claims limit was \$6,720,104 as of June 30, 2025.

Changes in the claims liability amount for the years ended June 30, were as follows:

	Claims Payable July 1	Claims and Changes in Estimates	Claim Payments	Claims Payable June 30
Year ended June 30, 2025	\$ 427,977	\$ 7,117,067	\$ (7,124,973)	\$ 420,071
Year ended June 30, 2024	\$ 305,143	\$ 6,491,645	\$ (6,368,811)	\$ 427,977
Year ended June 30, 2023	\$ 842,457	\$ 5,355,256	\$ (5,892,570)	\$ 305,143

The claims liabilities of \$420,071 and \$427,977 reported above at June 30, 2025 and 2024, respectively, are based upon the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicated that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. In addition, claims, expenses, and liabilities are reduced by amounts expected to be recovered through excess insurance.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 16: Component Unit

This report contains the Northwood Technical College Foundation, Inc. (the "Foundation"), which is included as a discretely presented component unit. In addition to the basic financial statements, the following disclosures are considered necessary for a fair presentation.

A – Fair Value Measurements

Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active market.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the used of unobservable inputs.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 16: Component Unit (Continued)

Information regarding assets measured at fair value on a recurring basis as of June 30, 2025 and 2024, is as follows:

Assets at Fair Value as of June 30, 2025				
	Recurring Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Investments at fair value:				
Fixed income and debt securities	\$ 349,933	\$ 2,093,952	\$ -	\$ 2,443,885
Equity Securities	2,306,356	-	-	2,306,356
Mutual funds				
Money market	179,836	-	-	179,836
Equity securities	2,044,357	-	-	2,044,357
Total investments at fair value	\$ 4,880,482	\$ 2,093,952	\$ -	\$ 6,974,434

Assets at Fair Value as of June 30, 2024				
	Recurring Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Investments at fair value:				
Fixed income and debt securities	\$ 640,678	\$ 1,717,075	\$ -	\$ 2,357,753
Equity securities	1,935,979	-	-	1,935,979
Mutual funds:				
Money market	318,810	-	-	318,810
Equity securities	1,742,958	-	-	1,742,958
Total investments at fair value	\$ 4,638,425	\$ 1,717,075	\$ -	\$ 6,355,500

The methods described above and shown above for fair value calculations may produce a fair value calculation that may be different from the net realizable value or not reflective of future values expected to be received. The Foundation believes that its valuation methods are appropriate and consistent with other market participants; however, the use of these various methodologies and assumptions may produce results that differ in the fair value at the financial reporting date.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 16: Component Unit (Continued)

B – Investments

Fair value of investments at June 30, are as follows:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Investments at fair value:				
Fixed income and debt securities	\$ 2,413,355	\$ 2,443,885	\$ 2,365,915	\$ 2,357,753
Equity securities	1,845,020	2,306,356	1,627,279	1,935,979
Mutual funds:				
Money market	179,836	179,836	318,810	318,810
Equity securities	1,839,113	2,044,357	1,645,618	1,742,958
Totals	\$ 6,277,324	\$ 6,974,434	\$ 5,957,622	\$ 6,355,500

Fair value for investments is determined by reference to quoted market prices and other relevant information generated by market transactions.

Return on investment consists of the following at June 30:

	2025	2024
Unrealized gains (losses)	\$ 345,981	\$ 617,549
Realized gains	144,545	7,228
Interest and dividend income	160,558	163,600
Other income	1,640	16,161
Investment fees	(37,696)	(17,835)
Totals	\$ 615,028	\$ 786,703

Northwood Technical College District

Notes to the Basic Financial Statements

Note 16: Component Unit (Continued)

C- Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at June 30:

	2025	2024
Subject to appropriation and expenditure when a specific event occurs:		
Professional development	\$ 5,405	\$ 5,145
Continuing education	56,853	62,525
Capital and equipment	72,992	52,892
Scholarships	168,175	116,494
Institutional support	71,717	45,641
Student assistance	157,369	158,844
	532,511	441,541
Endowments:		
Subject to appropriation and expenditure when a specific event occurs:		
Restricted by donors for:		
Professional development	21,256	15,903
Scholarships	1,022,587	739,474
Capital and equipment	2,154	1,683
Student Assistance	241,637	220,408
	1,287,634	977,468
Original donor-restricted gift amount and amounts to be maintained in perpetuity	5,268,881	4,863,425
Total net assets with donor restrictions	\$ 7,089,026	\$ 6,282,434

Northwood Technical College District

Notes to the Basic Financial Statements

Note 16: Component Unit (Continued)

D – Endowment Funds

The Foundation's endowments consist of 210 individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with the endowment funds are classified and reported on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and fixed income securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution, while growing the funds if possible. Therefore, the Foundation expects its endowment assets, over time, to produce an average annual real rate of return of the Consumer Price Index (CPI) + 3-4%, net of fees. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The spending policy for the Foundation is directed by the Board of Directors. The principal of an endowed fund will be invested for a period of 12 months before any disbursements will be made from interest income. No more than 5% of an endowment will be distributed annually. Administrative expenses, legal, tax, accounting, and investment advisory fees will be paid from the operating fund and are not included in the amount designated for disbursement.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 16: Component Unit (Continued)

As of June 30, 2025 and 2024, the Foundation had the following endowment net asset composition:

	With Donor Restrictions	
	2025	2024
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 5,268,881	\$ 4,863,425
Underwater endowments	(19,328)	(19,950)
Accumulated investment gains	1,306,962	997,418
	<u>\$ 6,556,515</u>	<u>\$ 5,840,893</u>

From time to time, certain donor-restricted endowments funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. At June 30, 2025 and June 30, 2024 there were 10 and 11 underwater endowments in the amount of \$19,328 and \$19,950 respectively.

Changes in endowment net assets for the years ended June 30 consisted of the following:

	With Donor Restrictions	
	2025	2024
Endowment net position at beginning of year	\$ 5,840,893	\$ 5,214,229
Investment return	513,088	945,251
Contributions	413,869	67,498
Transfers	23,033	70,285
Appropriations of endowment assets for expenditures	(234,368)	(456,370)
	<u>\$ 6,556,515</u>	<u>\$ 5,840,893</u>

E - Donated Services

The Foundation is furnished salaries, benefits, office space, and computer usage by Northwood Technical College, a related party. The value of these services was \$94,411 and \$66,615 for years ended June 30, 2025 and 2024, respectively. These amounts are recorded in the financial statements as in-kind expenses and in-kind contributions.

Northwood Technical College District

Notes to the Basic Financial Statements

Note 16: Component Unit (Continued)

F – Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2025	2024
Cash and equivalents	\$ 339,904	\$ 55,094
Accounts receivable	1,401	1,752
Investments	6,974,434	6,355,500
Total Financial Assets	7,315,739	6,412,346
Less those not available for general expenditure within one year due to:		
Restricted by donor with time or purpose restrictions	(7,089,026)	(6,282,434)
	\$ 226,713	\$ 129,912

The Foundation does not have a formal liquidity policy but generally strives to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

As part of the liquidity management plan, the Foundation invests cash in excess of daily requirements in short-term investments, CDs, and money market funds.

Required Supplementary Information

Draft

Northwood Technical College District

Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios –District OPEB Plan

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Total OPEB liability:					
Service cost	\$ 52,781	\$ 93,690	\$ 90,522	\$ 127,932	\$ 125,117
Interest	300,678	243,562	278,448	224,573	250,584
Change in benefit terms	-	-	-	(271,082)	-
Differences between expected and actual experience	(162,907)	(727,326)	(139,139)	(618,193)	-
Changes of assumptions or other input	-	(417,337)	-	(100,697)	-
Benefit payments	(1,088,376)	(1,151,147)	(1,305,157)	(1,433,239)	(1,633,069)
Net change in total OPEB liability	(897,824)	(1,958,558)	(1,075,326)	(2,070,706)	(1,257,368)
Total OPEB liability - Beginning	5,529,093	7,487,651	8,562,977	10,633,683	11,891,050
Total OPEB liability - Ending (a)	\$ 4,631,269	\$ 5,529,093	\$ 7,487,651	\$ 8,562,977	\$ 10,633,682
Plan fiduciary net position:					
Contributions - Employer	\$ 365,000	\$ 365,000	\$ 365,000	\$ 575,000	\$ 1,625,000
Net investment income	283,535	297,139	186,114	(765,656)	16,159
Benefit payments	(1,088,376)	(1,151,147)	(1,305,157)	(1,433,239)	(1,633,069)
Administrative expense	(18,071)	(16,705)	(14,965)	(8,585)	-
Net change in fiduciary net position	(457,912)	(505,713)	(769,008)	(1,632,480)	8,090
Plan fiduciary net position - Beginning	3,790,954	4,296,667	5,065,674	6,698,154	6,690,064
Plan fiduciary net position - Ending (b)	\$ 3,333,042	\$ 3,790,954	\$ 4,296,666	\$ 5,065,674	\$ 6,698,154
District's net OPEB (asset) liability - Ending (a) - (b)	\$ 1,298,227	\$ 1,738,139	\$ 3,190,985	\$ 3,497,303	\$ 3,935,528
Plan fiduciary net position as a percentage of the total OPEB liability	71.97%	68.56%	57.38%	59.16%	62.99%
Covered employee payroll	\$25,025,160	\$25,025,160	\$21,227,735	\$21,227,735	\$20,021,091
District's net OPEB liability as a percentage of covered-employee payroll	5.19%	6.95%	15.03%	16.48%	19.66%

Northwood Technical College District

Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios –District OPEB Plan(Continued)

Last 10 Fiscal Years*

	2020	2019	2018	2017
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability:				
Service cost	\$ 208,623	\$ 579,638	\$ 604,459	\$ 604,459
Interest	194,787	516,691	487,913	483,787
Change in benefit terms	-	(8,014,489)	-	-
Differences between expected and actual experience	6,449,165	-	814,886	-
Changes of assumptions or other input	373,926	263,565	(974,879)	-
Benefit payments	(1,592,980)	(1,152,986)	(1,010,794)	(802,241)
Net change in total OPEB liability	5,633,521	(7,807,581)	(78,415)	286,005
Total OPEB liability - Beginning	6,257,529	14,065,110	14,143,525	13,857,520
Total OPEB liability - Ending (a)	\$ 11,891,050	\$ 6,257,529	\$ 14,065,110	\$ 14,143,525
Plan fiduciary net position:				
Contributions - Employer	\$ 1,557,684	\$ 1,293,575	\$ 668,575	\$ 650,000
Net investment income	132,291	30,434	21,030	35,172
Benefit payments	(1,592,980)	(1,152,986)	(1,010,794)	(802,201)
Net change in fiduciary net position	96,995	171,023	(321,189)	(117,029)
Plan fiduciary net position - Beginning	6,593,069	6,422,046	6,743,235	6,860,264
Plan fiduciary net position - Ending (b)	\$ 6,690,064	\$ 6,593,069	\$ 6,422,046	\$ 6,743,235
District's net OPEB (asset) liability - Ending (a) - (b)	\$ 5,200,986	\$ (335,540)	\$ 7,643,064	\$ 7,400,290
Plan fiduciary net position as a percentage of the total OPEB liability	56.26%	105.36%	45.66%	47.68%
Covered employee payroll	\$20,021,091	\$22,874,600	\$22,874,600	\$21,099,584
District's net OPEB liability as a percentage of covered-employee payroll	25.98%	(1.47)%	33.41%	35.07%

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

Northwood Technical College District

Schedule of the Investment Returns – District OPEB Plan

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense*	8.43%	6.31%	3.87%	(12.82)%	0.27%	2.14%	0.49%	0.35%	6.39%

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

Draft

Northwood Technical College District

Schedule of Employer Contributions - District OPEB Plan

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 362,132	\$ 362,132	\$ 574,185	\$ 574,185	\$ 869,875	\$ 869,875	\$ 1,017,487	\$ 1,017,487	\$ 1,622,645
Contributions in relation to the actuarially determined contribution	365,000	365,000	365,000	575,000	1,625,000	1,557,684	1,293,575	668,575	650,000
Contribution deficiency/(excess)	\$ (2,868)	\$ (2,868)	\$ 209,185	\$ (815)	\$ (755,125)	\$ (687,809)	\$ (276,088)	\$ 348,912	\$ 972,645
Covered employee payroll	\$ 25,025,160	\$ 25,025,160	\$ 21,227,735	\$ 21,227,735	\$ 20,021,091	\$ 20,021,091	\$ 22,874,600	\$ 22,874,600	\$ 21,099,584
Contributions as a percentage of covered-employee payroll	1.46 %	1.46 %	1.72 %	2.71 %	8.12 %	7.78 %	5.66 %	2.92 %	3.00 %

Northwood Technical College District

Schedule of Employer Contributions - District OPEB Plan(Continued)

Notes to Schedule:

Valuation date	June 30, 2023	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017	June 30, 2015
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The actuarially determined contribution for fiscal year 2024 and 2025 were calculated as of June 30, 2023.

The actuarially determined contribution for fiscal year 2023 and 2022 were calculated as of June 30, 2021.

The actuarially determined contribution for fiscal year 2021 and 2020 were calculated as of June 30, 2019.

The actuarially determined contribution for fiscal year 2019 and 2018 were calculated as of June 30, 2017.

The actuarially determined contribution for fiscal year 2017 was calculated as of July 1, 2015.

Methods and assumptions used to determined contribution rates:

Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percent of salary	Level percent of salary	Level percent of salary	Level percent of salary	Level percent of salary	Level percent of salary	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining amortization period	9 years	9 years	7 years	7 years	10 years	10 years	30 years	30 years	10 years
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value
Inflation	2.5%	2.5%	2.0%	2.0%	2.25%	2.25%	2.50%	2.50%	2.50%
Health care trend rates	7.0% decreasing to 6.5%, then decreasing by 0.1% per year down to 4.5% and level thereafter	7.0% decreasing to 6.5%, then decreasing by 0.1% per year down to 4.5%, and level thereafter	6.5% initial, decreasing 0.1% per year down to 5.0%, then level thereafter	6.5% initial, decreasing 0.1% per year down to 5.0%, then level thereafter	9.0% for the first 5 years, then 6% decreasing 0.10% per year down to 5.0%, then level thereafter	9.0% for the first 5 years, then 6% decreasing 0.10% per year down to 5.0%, then level thereafter	7.5% initial, decreasing 0.5% per year down to 6.5%, then by 0.10% per year down to 5.0%, and level thereafter	7.5% initial, decreasing 0.5% per year down to 6.5%, then by 0.10% per year down to 5.0%, and level thereafter	7.5% initial, decreasing 0.5% per year down to 6.5%, then by 0.10% per year down to 5.0%, and level thereafter
Salary increases	3.0% average, including inflation	3.0% average, including inflation	3.0%, average, including inflation	3.0%, average, including inflation	3.0%, average, including inflation	3.0%, average, including inflation	3.0%, average, including inflation	3.0%, average, including inflation	3.0%, average, including inflation
Investment rate of return	6.00%	6.00%	3.50%	3.50%	2.25%	2.25%	3.75%	3.75%	3.50%

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

Northwood Technical College District

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

Last 10 Calendar Years

	2025	2024	2023	2022	2021	2022	2021	2018	2017	2016
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	12/31/2016	12/31/2015
District's proportion of the net pension liability (asset)	0.1430%	0.1461%	0.1474%	0.1507%	0.1571%	0.1651%	0.1721%	0.1792%	0.1828%	0.1862%
District's proportionate share of the net pension liability (asset)	\$2,350,424	\$2,172,926	\$7,808,790	\$(12,147,023)	\$(9,805,094)	\$(5,322,586)	\$6,123,955	\$(5,320,134)	\$1,506,773	\$3,025,563
District's covered payroll during the measurement period	\$29,491,184	\$28,196,092	\$26,415,401	\$25,431,710	\$24,903,371	\$24,933,691	\$25,646,897	\$25,635,739	\$25,621,658	\$26,672,574
District's proportionate share of the net pension liability (asset) as a percentage of it's covered payroll	7.97%	7.71%	29.56%	(47.76)%	(39.37)%	(21.35)%	23.88%	(20.75)%	5.88%	11.34%
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.79%	98.85%	95.72%	106.02%	105.26%	102.96%	96.45%	102.93%	99.12%	98.20%

Northwood Technical College District

SCHEDULE OF EMPLOYER CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM (WRS)

Last 10 Calendar Years

	2025	2024	2023	2022	2021	2022	2021	2018	2017	2016
Contractually required contribution for the fiscal period	\$2,075,705	\$1,961,532	\$1,837,663	\$1,714,334	\$1,696,427	\$1,643,331	\$1,674,506	\$1,744,139	\$1,803,738	\$1,813,738
Contributions in relation to the contractually required contribution	(2,075,705)	(1,961,532)	(1,837,663)	(1,714,334)	(1,696,427)	(1,643,331)	(1,674,506)	(1,744,139)	(1,803,738)	(1,813,738)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll for the fiscal period	\$29,974,236	\$28,633,172	\$27,552,805	\$25,874,848	\$25,132,237	\$24,700,009	\$25,271,288	\$25,837,654	\$26,946,826	\$25,608,632
Contributions as a percentage of covered-employee payroll	6.92%	6.85%	6.67%	6.63%	6.75%	6.65%	6.63%	6.75%	6.69%	7.08%

Northwood Technical College District

Notes to Required Supplementary Information

Last 10 Fiscal Years

Note 1 Data in the above schedules relating to the District's OPEB plan was taken from the report issued by the actuary for OPEB benefits

Note 2 The July 30, 2017, valuation with an original measurement date of June 30, 2018, issued August 8, 2018 was updated as of July 31, 2019 for a measurement date of June 30, 2019, for a change in benefits. As of the June 30, 2020, measurement date, the District has now broken each classification into tiers and provides a new post-employment HRA to eligible employees that was not included in the original valuation.

Note 3 **Changes in Benefit Terms and Assumptions related to Pension Liabilities (Assets):**

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.

Northwood Technical College District

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

<i>Year Ended June 30,</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	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
	Level Percent of Payroll-Closed Amortization	Level Percent of Payroll-Closed Amortization	Level Percent of Payroll-Closed Amortization	Level Percent of Payroll-Closed Amortization	Level Percent of Payroll-Closed Amortization
Amortization Method:	Period	Period	Period	Period	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
Amortization Period:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Asset Valuation Method:					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.4%
Pre-retirement:	6.8%	6.8%	7.0%	7.0%	7.0%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.0%
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*:	1.7%	1.7%	1.9%	1.9%	1.9%

Northwood Technical College District

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

<i>Years Ended June 30,</i>	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 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.
Mortality:	2020 WRS Experience Tables. The rates based on 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 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%).

*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.

Northwood Technical College District

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

<i>Years Ended June 30,</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	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed	Level Percent of Payroll-Closed
Amortization Method:	Amortization Period	Amortization Period	Amortization Period	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
Amortization Period:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Asset Valuation Method:					
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1-5.6%	0.1-5.6%	0.1-5.6%	0.1-5.6%	0.1-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%

Northwood Technical College District

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

<i>Years Ended June 30,</i>	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 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.
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 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.	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.

Supplementary Financial Information

Draft

Northwood Technical College District

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

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local Government	\$ 5,454,126	\$ 5,529,457	\$ 5,529,457	\$ -	\$ 5,529,457	-
Intergovernmental:						
State	33,133,483	33,206,103	33,312,838	-	33,312,838	106,735
Federal	20,000	20,000	18,481	-	18,481	(1,519)
Tuition and Fees						
Statutory program fees	7,224,814	7,285,375	7,301,809	-	7,301,809	16,434
Material fees	416,726	495,558	495,084	-	495,084	(474)
Other student fees	586,544	487,609	561,491	-	561,491	73,882
Institutional	750,000	677,202	712,068	-	712,068	34,866
Total revenues	47,585,693	47,701,304	47,931,228	-	47,931,228	229,924
Expenditures:						
Instruction	26,701,218	26,327,463	26,037,197	17,553	26,054,750	272,713
Instructional resources	1,646,742	1,621,949	1,618,887	3,062	1,621,949	-
Student services	5,391,190	5,589,270	5,589,270	-	5,589,270	-
General institutional	11,153,884	11,046,486	10,614,044	(30,074)	10,583,970	462,516
Physical plant	3,057,659	3,291,114	3,286,736	(30,451)	3,256,285	34,829
Auxillary enterprise expense	-	-	22	-	22	(22)
Total expenditures	47,950,693	47,876,282	47,146,156	(39,910)	47,106,246	770,036
Revenues over (under) expenditures	(365,000)	(174,978)	785,072	39,910	824,982	999,960
Other financing uses:						
Operating transfer out	-	(190,000)	(185,006)	-	(185,006)	4,994
Change in fund balance	(365,000)	(364,978)	600,066	39,910	639,976	1,004,954
Fund balance - Beginning of year	16,200,477	15,688,895	15,799,166	-	15,688,895	-
Fund balance - End of year	\$ 15,835,477	\$ 15,323,917	\$ 16,399,232	\$ 39,910	\$ 16,328,871	\$ 1,004,954

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

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

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$ 744,439	\$ 657,817	\$ 657,817	\$ -	\$ 657,817	\$ -
Intergovernmental:						
State	864,644	875,597	850,357	-	850,357	(25,240)
Federal	3,172,702	3,861,497	3,861,497	-	3,861,497	-
Material fees	-	118,624	112,586	-	112,586	(6,038)
Institutional	2,920,594	3,527,770	3,527,770	-	3,527,770	-
Total revenues	7,702,379	9,041,305	9,010,027	-	9,010,027	(31,278)
Expenditures:						
Instruction	4,455,617	8,577,589	8,577,589	-	8,577,589	-
Student services	514,506	540,878	540,878	-	540,878	-
General institutional	1,639,475	68,239	68,239	-	68,239	-
Total expenditures	6,609,598	9,186,706	9,186,706	-	9,186,706	-
Revenues over (under) expenditures	1,092,781	(145,401)	(176,679)	-	(176,679)	(31,278)
Change in fund balance	1,092,781	(145,401)	(176,679)	-	(176,679)	(31,278)
Fund balance - Beginning of year	1,453,293	1,510,169	1,513,536	(3,367)	1,510,169	-
Fund balance - End of year	\$ 2,546,074	\$ 1,364,768	\$ 1,336,857	\$ (3,367)	\$ 1,333,490	\$ (31,278)

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

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

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Intergovernment						
State	\$ 1,167,648	\$ 1,234,000	\$ 1,466,344	\$ -	\$ 1,466,344	\$ 232,344
Federal	331,019	836,830	586,830	-	586,830	(250,000)
Institutional	195,000	392,091	392,091	-	392,091	-
Total revenues	1,693,667	2,462,921	2,445,265	-	2,445,265	(17,656)
Expenditures:						
Instruction	3,328,642	3,526,992	3,825,977	(625,294)	3,200,683	326,309
Instructional resources	386,500	946,995	996,496	(49,501)	946,995	-
General institutional	1,338,189	2,915,142	3,091,237	(311,095)	2,780,142	135,000
Physical plant	4,679,100	5,524,697	6,553,349	(1,517,710)	5,035,639	489,058
Total expenditures	9,732,431	12,913,826	14,467,059	(2,503,600)	11,963,459	950,367
Revenue over (under) expenditures	(8,038,764)	(10,450,905)	(12,021,794)	2,503,600	(9,518,194)	932,711
Other financing sources:						
General obligation notes issued	6,807,009	6,810,000	6,810,000	-	6,810,000	-
Change in fund balance	(1,231,755)	(3,640,905)	(5,211,794)	2,503,600	(2,708,194)	932,711
Fund balance - Beginning of year	2,310,919	2,758,992	6,273,974	(3,514,982)	2,758,992	-
Fund balance - End of year	\$ 1,079,164	\$ (881,913)	\$ 1,062,180	\$ (1,011,382)	\$ 50,798	\$ 932,711

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – Debt Service Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$ 8,487,219	\$ 8,487,219	\$ 8,487,219	\$ -	\$ 8,487,219	\$ -
Institutional	375,000	249,094	249,094	-	249,094	-
Total revenues	8,862,219	8,736,313	8,736,313	-	8,736,313	-
Expenditures:						
Physical plant	8,763,312	8,763,312	8,733,232	-	8,733,232	30,080
Total expenditures	8,763,312	8,763,312	8,733,232	-	8,733,232	30,080
Revenues over (under) expenditures	98,907	(26,999)	3,081	-	3,081	30,080
Other financing sources:						
Premium on general obligation notes	-	416,730	416,730	-	416,730	-
Change in fund balance	98,907	389,731	419,811	-	419,811	30,080
Fund balance - Beginning of year	8,442,977	8,453,676	8,453,676	-	8,453,676	-
Fund balance - End of year	\$ 8,541,884	\$ 8,843,407	\$ 8,873,487	\$ -	\$ 8,873,487	\$ 30,080

See Independent Auditor's Report.
See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

Schedule of Revenues, Expenses, and Changes in Net Position – Budget (Non-GAAP Budgetary Basis) and Actual – Enterprise Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Operating revenues:						
Institutional	\$ 1,458,000	\$ 1,458,000	\$ 319,020	\$ -	\$ 319,020	\$ (1,138,980)
Total operating revenues	1,458,000	1,458,000	319,020	-	319,020	(1,138,980)
Operating expenses:						
Auxiliary enterprise expense	1,458,000	1,458,000	504,026	-	504,026	953,974
Total operating expenses	1,458,000	1,458,000	504,026	-	504,026	953,974
Revenues over (under) expenditures	-	-	(185,006)	-	(185,006)	(185,006)
Other financing sources:						
Transfers In	-	190,000	185,006	-	185,006	(4,994)
Change in fund balance	-	190,000	-	-	-	(190,000)
Net position - Beginning of year	387,411	312,601	312,601	-	312,601	-
Net position - End of year	\$ 387,411	\$ 502,601	\$ 312,601	\$ -	\$ 312,601	\$ (190,000)

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

Schedule of Revenues, Expenses, and Changes in Net Position – Budget (Non-GAAP Budgetary Basis) and Actual – Internal Service Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Operating revenues:						
Institutional	\$ 6,960,780	\$ 7,310,538	\$ 7,300,882	\$ -	\$ 7,300,882	\$ (9,656)
Total operating revenues	6,960,780	7,310,538	7,300,882	-	7,300,882	(9,656)
Operating expenses:						
Instruction	325,000	377,620	377,620	-	377,620	-
Instructional resources	26,000	28,250	28,250	-	28,250	-
Student Services	70,000	112,243	112,243	-	112,243	-
General institutional	110,000	189,568	189,568	-	189,568	-
Physical plant	40,000	44,846	44,846	-	44,846	-
Auxiliary enterprise expense	6,065,514	7,114,920	7,115,288	-	7,115,288	(368)
Total operating expenses	6,636,514	7,867,447	7,867,815	-	7,867,815	(368)
Change in net position	324,266	(556,909)	(566,933)	-	(566,933)	(10,024)
Net position - Beginning of year	2,109,340	1,714,875	1,714,875	-	1,714,875	-
Net position - End of year	\$ 2,433,606	\$ 1,157,966	\$ 1,147,942	\$ -	\$ 1,147,942	\$ (10,024)

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

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

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Intergovernmental:						
Federal	\$ 7,700,000	\$ 8,411,626	\$ 8,536,557	\$ -	\$ 8,536,557	\$ 124,931
Tuition and fees:						
Other student fees	295,000	295,000	298,162	-	298,162	3,162
Institutional	345,000	345,000	157,036	-	157,036	(187,964)
Total revenues	8,340,000	9,051,626	8,991,755	-	8,991,755	(59,871)
Expenditures:						
Instruction	145,000	146,826	146,826	-	146,826	-
Student services	7,960,000	8,895,641	8,895,641	-	8,895,641	-
General institutional	235,000	-	-	-	-	-
Total expenditures	8,340,000	9,042,467	9,042,467	-	9,042,467	-
Change in fund balance	-	9,159	(50,712)	-	(50,712)	(59,871)
Fund balance - Beginning of year	820,350	612,021	612,021	-	612,021	-
Fund balance - End of year	\$ 820,350	\$ 621,180	\$ 561,309	\$ -	\$ 561,309	\$ (59,871)

See Independent Auditor's Report.
See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

Schedule to Reconcile Budget (Non-GAAP Budgetary Basis) Financial Statements to Basic Financial Statements

Year Ended June 30, 2025

	General Fund	Special Revenue Aidable Fund	Capital Projects Fund	Debt Service Fund	Enterprise Fund	Internal Service Fund	Special Revenue Non-Aidable Fund	Totals	Reconciling Items	Statement of Revenues, Expenses, and Changes in Net Position
Revenues:										
Local Government	\$ 5,529,457	\$ 657,817	\$ -	\$ 8,487,219	\$ -	\$ -	\$ -	\$ 14,674,493	\$ -	\$ 14,674,493
Intergovernmental:										
State	33,312,838	850,357	1,466,344	-	-	-	-	35,629,539	-	35,629,539
Federal	18,481	3,861,497	586,830	-	-	-	8,536,557	13,003,365	(1)	13,003,364
Tuition and Fees:										
Statutory program fees	7,301,809	-	-	-	-	-	-	7,301,809	(4,731,829)	2,569,980
Material fees	495,084	112,586	-	-	-	-	-	607,670	(330,984)	276,686
Other student fees	561,491	-	-	-	-	-	298,162	859,653	(375,381)	484,272
Institutional	712,068	3,527,770	392,091	249,094	319,020	7,300,882	157,036	12,657,961	(7,587,487)	5,070,474
Auxiliary services revenue	-	-	-	-	-	-	-	-	272,049	272,049
Total revenues	47,931,228	9,010,027	2,445,265	8,736,313	319,020	7,300,882	8,991,755	84,734,490	(12,753,633)	71,980,857
Expenditures/Expenses:										
Instruction	26,054,750	8,577,589	3,200,683	-	-	377,620	146,826	38,357,468	1,461,076	39,818,544
Instructional resources	1,621,949	-	946,995	-	-	28,250	-	2,597,194	(79,608)	2,517,586
Student services	5,589,270	540,878	-	-	-	112,243	8,895,641	15,138,032	(12,721,772)	2,416,260
General institutional	10,583,970	68,239	2,780,142	-	-	189,568	-	13,621,919	(6,686,979)	6,934,940
Physical plant	3,256,285	-	5,035,639	8,733,232	-	44,846	-	17,070,002	(7,556,791)	9,513,211
Auxiliary enterprise services	22	-	-	-	504,026	7,115,288	-	7,619,336	(7,111,965)	507,371
Depreciation and amortization	-	-	-	-	-	-	-	-	6,470,988	6,470,988
Student aid	-	-	-	-	-	-	-	-	2,761,111	2,761,111
Interest expense	-	-	-	-	-	-	-	-	876,970	876,970
Total expenditures/expenses	47,106,246	9,186,706	11,963,459	8,733,232	504,026	7,867,815	9,042,467	94,403,951	(22,586,970)	71,816,981

Northwood Technical College District

Schedule to Reconcile Budget (Non-GAAP Budgetary Basis) Financial Statements to Basic Financial Statement (Continued)

Year Ended June 30, 2025

	General Fund	Special Revenue Aidable Fund	Capital Projects Fund	Debt Service Fund	Enterprise Fund	Internal Service Fund	Special Revenue Non-Aidable Fund	Totals	Reconciling Items	Statement of Revenues, Expenses, and Changes in Net Position
Revenues over (under) expenditures/expenses	\$ 824,982	\$ (176,679)	\$ (9,518,194)	\$ 3,081	\$ (185,006)	\$ (566,933)	\$ (50,712)	\$ (9,669,461)	\$ 9,833,337	\$ 163,876
Other financing (uses) sources:										
Operating transfer in (out)	(185,006)	-	-	-	185,006	-	-	-	-	-
Premium on general obligation notes	-	-	-	416,730	-	-	-	416,730	(416,730)	-
General obligation notes issued	-	-	6,810,000	-	-	-	-	6,810,000	(6,810,000)	-
Total other financing (uses) sources	(185,006)	-	6,810,000	416,730	185,006	-	-	7,226,730	(7,226,730)	-
Net change in fund balance/net position	639,976	(176,679)	(2,708,194)	419,811	-	(566,933)	(50,712)	(2,442,731)	2,606,607	163,876
Fund balance/net position - Beginning of year	15,688,895	1,510,169	2,758,992	8,453,676	312,601	1,714,875	612,021	31,051,229	23,120,498	54,171,727
Fund balance/net position - End of year	\$ 16,328,871	\$ 1,333,490	\$ 50,798	\$ 8,873,487	\$ 312,601	\$ 1,147,942	\$ 561,309	\$ 28,608,498	\$ 25,727,105	\$ 54,335,603

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Northwood Technical College District

Notes to Budgetary Comparison Schedules

Year Ended June 30, 2025

Note 1: Budgetary Accounting

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

Property taxes are levied by the various taxing municipalities located primarily in 11 northwestern Wisconsin counties. The District records as revenue 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 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), 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.

The District has also included the issuance of general obligation promissory notes where the bid was awarded prior to year-end but the actual sale wasn't completed until after year-end.

Northwood Technical College District

Notes to Budgetary Comparison Schedules (Continued)

Year Ended June 30, 2025

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	\$ 47,931,228
Special Revenue Funds	9,010,027
Special Revenue Non-Aidable Funds	8,991,755
Capital Projects Fund	2,445,265
Debt Service Fund	8,736,313
Enterprise Funds	319,020
Internal Service Funds	7,300,882

Budgetary revenues	84,734,490
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Adjustments:

Interfund charges from internal service are eliminated for GAAP reporting	(7,300,882)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenue for GAAP reporting	(5,587,920)
Summer tuition is recognized on the cash basis rather than the accrual basis	149,728
Loss on disposal of capital assets	(14,559)

Reconciled on a GAAP basis	\$ 71,980,857
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GAAP basis revenues per the Statements of Revenues and Expenses:

Operating revenues	\$ 23,015,437
Property taxes	14,674,493
State nonoperating appropriations	33,312,838
Investment income	947,091
Gain on disposal of capital assets	30,998

GAAP revenues	\$ 71,980,857
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Northwood Technical College District

Notes to Budgetary Comparison Schedules (Continued)

Year Ended June 30, 2025

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, Expenses, and Changes on a GAAP Basis (Continued)

Expenditures

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

General Fund	\$ 47,106,246
Special Revenue Aidable Funds	9,186,706
Special Revenue Non-Aidable Funds	9,042,467
Capital Projects Fund	11,963,459
Debt Service Fund	8,733,232
Enterprise Funds	504,026
Internal Service Funds	7,867,815

Budgetary expenditures/expenses	94,403,951
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Adjustments:

Interfund charges from internal service and fiduciary funds are eliminated for GAAP reporting	(7,300,882)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenue for GAAP reporting	(5,587,921)
Cash basis expenditures adjusted to GAAP accrual basis	
Interest expense, accrued interest, and premium amortization	(178,977)
Pension-related benefits, compensated absences OPEB benefits, and termination benefits	1,035,684
Capital asset acquisitions reported as expenditures for budgetary purposes	(11,390,209)
Subscription ROU asset acquisitions reported as expenditures for budgetary purposes	(489,164)
Budgetary expenditure for repayment of principal on long-term debt	(7,690,000)
Encumbrances as reported for budgetary purposes	2,357,381
Budgetary expenditure for repayment of principal on subscription liabilities	186,129
Depreciation and Amortization recorded for GAAP purposes	6,470,989

Expenses on a GAAP basis	\$ 71,816,981
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GAAP basis expenses per the Statements of Revenues and Expenses:

Operating expenses	\$ 70,940,011
Interest expense	876,970

GAAP expenses	\$ 71,816,981
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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.

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
Northwood Technical College District
Rice Lake, 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, the discretely presented component unit, and the aggregate remaining fund information of the Northwood Technical College District (the "District"), as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Northwood Technical College District's basic financial statements, and have issued our report thereon dated . The financial statements of the Northwood Technical College Foundation, Inc. (the "Foundation"), a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Wipfli LLP

Eau Claire, Wisconsin

Draft

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

**Northwood Technical College District, Wisconsin
\$4,395,000 General Obligation Promissory Notes, Series 2026A**

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated January 7, 2026 (the “Continuing Disclosure Agreement”) is executed and delivered by the Northwood Technical College District, Wisconsin (the “District”), in connection with the issuance of \$4,395,000 General Obligation Promissory Notes, Series 2026A (the “Notes”). The Notes are being issued pursuant to a Resolution dated October 15, 2025 and an Award Certificate dated December 3, 2025 (the “Resolutions”). The District covenants and agrees as follows:

Section 1.

(a). Purpose of Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the District for the benefit of the Holders and in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with S.E.C. Rule 15c2-12(b)(5).

(b). Filing Requirements. Any filing under this Continuing Disclosure Agreement must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access (“EMMA”) System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the definitions set forth in the Resolutions which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

“Audited Financial Statements” shall mean the District's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the District intends to continue to prepare in substantially the same form.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the District which has filed with the District a written acceptance of such designation.

“District Contact” means the Treasurer of the Issuer who can be contacted at 505 Pine Ridge Drive, Shell Lake, WI 54871, phone (715) 468-2815, fax (715) 468-2819.

“Financial Obligation” means any (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b); provided, however, that the Financial Obligation

shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the fiscal year of the District, currently ending on June 30 of each year.

“Holder” shall mean the registered owner or beneficial owner of any of the Notes.

“Material Event” means any of the events listed in Section 5(a) of this Continuing Disclosure Agreement”

“MSRB” means the Municipal Securities Rulemaking Board located at 1900 Duke Street, Suite 600, Alexandria, Virginia 22314.

“Official Statement” shall mean the final official statement delivered in connection with the Notes, which is available from the MSRB.

“Participating Underwriter” shall mean the original underwriter of the Notes required to comply with the Rule in connection with offering of the Notes.

“Rule” shall mean SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

“SEC” shall mean the Securities and Exchange Commission.

“Tax-exempt” shall mean that interest on the Notes is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax.

“Taxable” shall mean the shall mean that interest on the Notes is included in the gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than 12 months after the end of the District's fiscal year in each year, commencing with the fiscal year ending June 30, 2025, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Continuing Disclosure Agreement. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report to the Dissemination Agent, if any. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Continuing Disclosure Agreement; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and that, if

Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the District is unable or fails to provide an Annual Report to the MSRB by the date required above, the District shall, in a timely manner, send a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Continuing Disclosure Agreement.

(c) The Dissemination Agent, if any, shall file a report with the District certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement and stating the date it was provided to the MSRB.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the Audited Financial Statements of the District, current general fund budget summary and updates of the following sections of the Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

Tax Levies, Rates and Collections
Equalized Valuations
Indebtedness of the District - Direct Indebtedness

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The District shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Notes:

- (1) Principal and interest payment delinquencies;
- (2) Nonpayment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the

tax status of the Notes;

- (7) Modifications to the rights of holders of the Notes, if material;
- (8) Note or Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the District;
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the District, if that Financial Obligation is material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) When a Material Event occurs, the District shall, in a timely manner not in excess of ten business days after the occurrence of the Material Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Material Events described in subsections

(a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the holders of affected Notes pursuant to the Resolutions.

(c) Unless otherwise required by law, the District shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Continuing Disclosure Agreement.

Section 6. Termination of Reporting Obligation. The District's obligations under this Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes.

Section 7. District Contact/Dissemination Agent. Information may be obtained from the District Contact. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the District may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been affective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Agreement. If the District chooses to include any information or notice of occurrence of a Material Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 10. Default. In the event of a failure of the District to comply with any provision of this Continuing Disclosure Agreement any Holder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an Event of Default under the Resolutions, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the District to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent, if any, shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the District agrees to indemnify and save the Dissemination Agent, its officers,

directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

Section 12. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, the Participating Underwriters, the Holders from time to time of the Notes and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Continuing Disclosure Agreement in our official capacities effective as of the date first written above.

**NORTHWOOD TECHNICAL
COLLEGE DISTRICT, WISCONSIN**

By: _____
Pete Vrieze, Chairperson

By: _____
Brett Gerber, Secretary

APPENDIX C

FORM OF LEGAL OPINION

790 North Water Street
Suite 2500
Milwaukee, WI 53202-4108
Phone 414.271.6560
Fax 414.277.0656

January 7, 2026

\$4,395,000.00

**Northwood Technical College District, Wisconsin
General Obligation Promissory Notes, Series 2026A**

We have acted as bond counsel in connection with the issuance by the Northwood Technical College District, Wisconsin (the "District"), of \$4,395,000.00 aggregate principal amount of General Obligation Promissory Notes, Series 2026A, dated the date hereof (the "Notes"). We have examined the law and a certified copy of the proceedings of record of the District preliminary to and in connection with the issuance of the Notes, as well as other documents and records which we have deemed necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material related to the Notes and we express no opinion relating thereto. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certificates of officers of the District and other public officials furnished to us, without undertaking to verify the same by independent investigation. The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

The Internal Revenue Code of 1986, as amended (the "Code") contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excluded from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The District has agreed to comply with all of those requirements. The opinion set forth in paragraph 2, below, is subject to the condition that the District comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

Based on the foregoing, we are of the opinion and hereby certify that, as of the date hereof:

1. The Notes are valid and binding general obligations of the District, payable from a nonrepealable, direct annual tax levied upon all the taxable property of the District for the express purpose of paying interest on the Notes as it falls due and also to pay and discharge the principal thereof at maturity.

January 7, 2026

Page 2

2. Under existing statutes and court decisions, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code and is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code on individuals and corporations; such interest, however, may be included in adjusted current earnings for purposes of computing alternative minimum taxable income with respect to the alternative minimum tax imposed under the Code on certain corporations.

3. The Notes have not been designated by the District as “qualified tax-exempt obligations” under the Code.

Very truly yours,

MICHAEL BEST & FRIEDRICH LLP