

Madison Area Technical College District | Wisconsin

Comprehensive Annual Financial Report



madisoncollege.edu



for the fiscal years ended
June 30, 2018 & 2017

MADISON AREA TECHNICAL COLLEGE DISTRICT
Madison, Wisconsin
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the years ended June 30, 2018 and 2017

Current Members of the Board

Joseph Hasler Chairperson
Arlyn Halvorson Vice Chairperson
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Elton Crim Jr. Member
Kelly Crombie Member
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Ananda Mirilli Member
Shawn Pfaff Member

Current Administrators

Jack E. Daniels, III President
Turina Bakken Provost
Mark Thomas Vice President of Administrative Services
and Chief Financial Officer
Vacant Executive Vice President of Student Development & Success
and Chief Student Service Officer
Vacant Vice President of Human Resources
Tim Casper Vice President of Institutional Learning and Effectiveness
Lucia Nunez Vice President of Equity, Inclusion
and Community Engagement

Official Issuing Report

Mark Thomas Vice President of Administrative Services
and Chief Financial Officer

Report Prepared By

Laurie Grigg Controller

Assisted By

Alane Spatola Financial Manager
Dawn Ness Financial Manager
Tim Bergman Senior Accountant

MADISON AREA TECHNICAL COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Years Ended June 30, 2018 and 2017

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December 5, 2018

Citizens
Madison Area Technical College District

The Comprehensive Annual Financial Report (CAFR) of Madison Area Technical College District (the District or Madison College) for the fiscal years ended June 30, 2018 and 2017, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the presented data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

This report is consistent with legal reporting requirements of the State of Wisconsin, and in our opinion was prepared in conformity with generally accepted accounting principles applied on a basis consistent with the preceding year. In addition to meeting legal reporting requirements, this report is intended to present a comprehensive summary of the significant financial information of the District in a readable format to meet the varying needs of the District's citizens, taxpayers, students, employees, financial institutions, intergovernmental agencies and the State of Wisconsin Technical College System.

The CAFR is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the College's board members and an organization chart. The financial section includes the management's discussion and analysis, the report of independent certified public accountants, the basic financial statements, notes to financial statements, required supplemental information, and additional financial information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The single audit section includes the schedules of federal and state assistance, and the auditor's reports on the internal control structure and compliance with applicable laws and regulations.

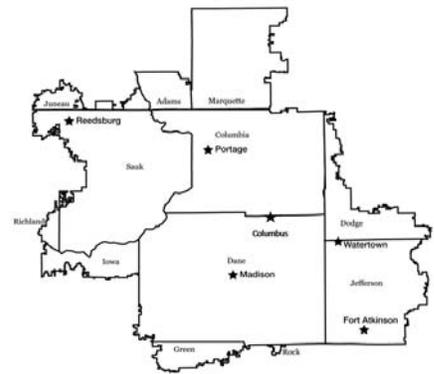
Madison College is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, the *Title 200 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniforms Guidelines), and the State of Wisconsin Department of Administration publication, *State Single Audit Guidelines*. Information related to the requirements and compliance with this single audit can be found in the single audit section of this report.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Madison College's MD&A can be found immediately following the independent auditor's report.

Profile of the Madison College District

Madison Area Technical College was first chartered as the Madison Industrial School in 1912, enrolling 63 students in its first classes. In 1917, the federal Smith-Hughes Act provided additional funding for vocational education, and the Madison Industrial School became known as the School of Vocational Education. Attendance continued to grow as the result of state legislation enacted in 1933 requiring compulsory education until the age of eighteen, which served to increase the number of students enrolled in high school and opened space at the vocational schools for more adult students. These changes in focus resulted in another name change in 1937 to the Madison Vocational and Adult School. Increasing state control and budgetary difficulties led to legislation, enacted in 1965, requiring formation of vocational districts by 1970. The Area Vocational, Technical and Adult Education District No. 4 was legally organized on July 1, 1967, under the provisions of Chapter 292, Laws of Wisconsin 1965. Its name was changed in 1992 to Madison Area Vocational, Technical and Adult Education District; and in 1994 to Madison Area Technical College District.

The District is composed of almost all of five counties (Dane, Columbia, Jefferson, Marquette and Sauk) and parts of seven other counties (Adams, Dodge, Green, Iowa, Juneau, Richland and Rock). There are 225 municipalities and 40 public school districts within the District's boundaries. The District contains 4,414 square miles, an equalized valuation for fiscal year 2017-18 of \$84,890,885,193 and an estimated District population of 783,061. The District operates campuses in six cities: Columbus, Fort Atkinson, Madison, Portage, Reedsburg and Watertown. Educational offerings are also provided at many other locations throughout the District.



Governance

The governing body of Madison Area Technical College District is the District Board, which consists of nine members. The members are appointed to staggered, three-year terms by the county board chairpersons of the twelve counties in the District who meet once a year to appoint three members. The District Board membership categories include two employers, two employees, three additional members, one school district administrator and one elected official who holds a state or local office. The District Board powers, which include the authority to levy property taxes and borrow monies, are established under the provisions of Chapter 38 of the Wisconsin Statutes. Current members of the Madison College District Board are shown on page 11.

Services

Madison College provides practical and timely education through a comprehensive array of academic offerings including occupational degrees, a robust liberal arts curriculum, adult basic education and extensive offerings to serve business and industry and lifelong learners. The college offers associate degrees, technical diplomas, certificates, apprenticeship, professional and non-credit, courses, digital badges and more that cover more than 140 programs of study. In addition to serving the credit and credential seeking student, Madison College also offers extensive and relevant options to businesses via customized training and lifelong learners via professional development and enrichment courses. Madison College also serves international students, offers study abroad options and is home to new, unique opportunities for high school students to earn college credits or credentials.

The learning opportunities provided by Madison College are essential for a new workforce that is technically prepared, but also adaptable, and willing and able to learn and grow as industries and jobs change. What we offer and how we offer it is in constant flux...always evolving to meet the needs of a more complex student, employer and stakeholder market. Our academic portfolio is aimed at meeting diverse student needs by committing to making higher education and lifelong learning accessible, affordable and grounded in high quality. And that pays rich dividends to individuals, families, businesses, the community and ultimately enriches the quality of life for us all.

Strategic Plan

Mission

Madison College provides open access to quality higher education that fosters lifelong learning and success within our communities.

Vision

The leader in accessible, affordable higher education that meets the evolving needs of our diverse communities.

Value

Excellence, respect, commitment to students and diverse communities, and making higher education available to all.

Strategic Directives

- Focus on Successful Outcomes for Students
- Ensure our Sustainability
- Support our Faculty and Staff
- Address Student Preparedness
- Align with Community Needs
- Improve Recruitment and Strategic Outreach

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy

Three local economic factors impacting Madison College are: 1) the unemployment rate, 2) inflation, and 3) property values.

The Madison area continues to fare better than the national economy in terms of unemployment. According to the Bureau of Labor Statistics (BLS), the adjusted Madison Metropolitan Area's unemployment rate (not seasonally adjusted) decreased from 3.1% in February 2017 to 2.5% in February 2018. In comparison, the Wisconsin and U.S. rates for February 2018 were 3.3% and 4.1% respectively.

The overall Midwest Region consumer price index rose 1.8% from March 2017 to March 2018, compared to a national increase of 2.4% over the same period.

The Wisconsin REALTORS® Association reported in April 2018 that existing Wisconsin home sales *decreased* in March 2018 by 3.9% compared to March 2017, with prices increasing by 7.1%. In the 12 county South Central Wisconsin region, existing home sales *decreased* 9.1% over the 12 months ending March 2017. During that time, the median sale price in the region increased \$23,400 or 11.9%. Housing values are set for tax purposes in January of each year, and those values reported to taxing authorities the following fall are used for computing taxes, which are billed to property owners in December.

Legislative Climate

The legislature effectively ended its two-year session in early 2018. As elected officials from one-party hold majorities in both houses of the legislature and the governor's office, agreed upon policy items were quickly adopted. There were no major policy changes signed into law directly impacting Madison College or the Wisconsin Technical College System.

The Wisconsin Technical College System presented its budget requirements for the 2019-2021 biennium to the governor in mid-September 2018. The governor will introduce a budget proposal to the newly sworn in legislature in February of 2019.

Madison College and the Wisconsin Technical College System continue to focus on career and technical education at the secondary and postsecondary levels, and to work with the elected legislators and the governor to advance education initiatives in the next session of the legislature.

Institutional Successes

A few of the many successes Madison College and its students have achieved during the last year:

- The most recent Graduate Employment Report, which surveys graduates six months after graduation, indicates that 93 percent of Madison College graduates find jobs within six months of graduation. Of those, over 76 percent are employed within the district and 92 percent are employed within the state of Wisconsin. The average monthly salary for a Madison College graduate in a position related to their degree is \$3,332.
- In September 2017, Madison College was awarded a \$3 million grant from the U.S. Department of Education, Title III Strengthening Institutions Program. The overarching goal of the grant project is to establish a systematic process to assist students to confirm their career goals and educational plan, and support their efficient progression to degree-credit courses, credential completion and/or transfer. The main project activities to achieve this goal include: developmental education acceleration, building an online individualized planning tool: myRoadmap, and aligning career and advising services to create a college-wide integrated student support model.

- Board licensure:

Program	Madison College Pass Rate	National Pass Rate
Advanced Emergency Medical Technician	76%	57%
Associate Degree Nursing	87%	82%
Certified Paralegal	70%	61%
Dental Hygiene	99%	83%
Dietary Manager	100%	69%
Emergency Medical Technician	86%	71%
Medical Assistant	86%	69%
Medical Laboratory Technician	100%	81%
Occupational Therapy Assistant	100%	93%
Optometric Technician (Certified Paraoptometric Technician)	100%	86%
Optometric Technician (CPOT)	100%	83%
Optometric Technician (Certified Ophthalmic Assistant)	100%	83%
Paramedic	93%	76%
Physical Therapy Assistant	100%	85%
Radiography	100%	87%
Respiratory Therapist (CRT)	90%	64%
Respiratory Therapist (Written Registry Examination)	76%	49%
Respiratory Therapist (Clinical Simulation Examination)	79%	58%
Surgical Technologist	90%	78%
Therapeutic Massage	100%	69%
Veterinary Technician	93%	70%

Long-term Financial Planning

Technical education in the 21st century is characterized by limited resources, significant outlays for high technology equipment, constantly changing enrollments due to fluctuating unemployment rates, and a changing population which requires different instructional delivery systems. The District Board has responded to these challenges by developing a number of financial policies that emphasize long-term financial stability of the District, address college stakeholders' needs, and maintain financial flexibility.

As part of these policies, Madison College is required to maintain budgetary basis fund balance in the operational funds (General and Special Revenue) at or above the following levels:

- assignments for encumbrances, prepaid items and noncurrent assets equal to the related financial statement items,
- assignment for compensated absences equal to estimated potential annual payouts,
- assignment for state aid fluctuations equal to 10 percent of funds budgeted for general state aid,
- assignments for subsequent year and years, which may not exceed 5 and 10 percent of funds budgeted for general state aid, respectively.
- assignment for operations representing the potential deficit for an unexpected reduction in cash flow, generally between 16.6 and 25 percent of the District's operational budget.

Current plans and long-term projections predict the continued compliance with these Board guidelines.

The Board also requires a capital budget that meets the capital needs of the District. Annually, the District prepares a three-year facilities plan for Board approval and submittal to the Wisconsin Technical College System (WTCS). During Fiscal Year 2018-19, Madison College plans to borrow \$28 million for capital projects.

Madison College's Smart Future Building Plan

Over the course of 2008 to early 2009, Madison Area Technical College (Madison College) prepared a Facilities Master Plan for its seven campuses. That inclusive campus planning process regarding the District's facilities was informed by the College's 2007 Academic Plan. This was the first such facilities plan developed for the College since it located its primary facilities at Truax more than 30 years ago.

In 2010, the College faced a unique challenge with historic enrollment increases, inadequate facilities and a call for more relevant training for the unemployed. Proud of its parsimonious practices in its century of service, the college had not asked voters for increased taxes for new buildings since 1974. On November 2, 2010 the College asked voters in its 12-county district for \$134 million to start implementing its Facilities Master Plan. Voters overwhelmingly supported the College with almost 60 percent of the vote and agreed to an increase in taxes of \$33 per year on average for a home valued at \$245,000.

Funding from the referendum supported renovations and expansions at the District's four regional campuses, a new Emergency Vehicle Operators Course and supporting facilities, and the creation of new facilities at the Truax campus for health education, protective services, culinary, baking, physical education and recreation management, and advanced manufacturing programs as well as a new library, student achievement center, and career placement center.

All work from the 2010 referendum has been completed, and the College has established a new work team to update the 2009 Facilities Master Plan. The updated plan will be based on the goals of the Academic and Student Services Plans by identifying how Madison College's facilities can host accessible, high quality learning and technical experiences that meet the needs of its ever-evolving students, communities, and area employers. Elements of this updated Facilities Master Plan will be considered for completion in FY19 and beyond, dependent upon resource availability.

Management Systems and Controls

The District is committed to the development of good management systems and controls. Significant efforts are made to employ qualified personnel. Similarly, systems are conscientiously developed within which District employees can function effectively. In turn, employees provide appropriate levels of supervision and segregation of duties.

Accounting System

In developing and modifying the District's accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls within the District are designed to provide reasonable assurance for safeguarding assets against loss from unauthorized use or disposition; reliability of financial records for preparing financial statements; and accountability for assets.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary System

The District budget is prepared annually in accordance with the requirements of the Wisconsin Technical College System. These budget requirements include review, public hearing, and passage by the District Board prior to July 1 of each year. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by fund and function.

Budgets are developed based on strategic priorities, objectives and plans. The budget information is summarized by the budget department and analyzed by administration prior to being submitted to the District Board of Trustees for approval in June. As expenditures occur throughout the year, they are recorded against budgeted amounts and necessary budget adjustments are submitted to the Board of Trustees. Any necessary budget adjustments must be passed by a two-thirds majority by the board of Trustees.

Independent Audit

Madison College board policy and state law require an annual audit of the District's financial statements by an independent certified public accountant. The District has complied with this requirement, and the auditor's opinion is included in this report.

EXCELLENCE IN FINANCIAL REPORTING

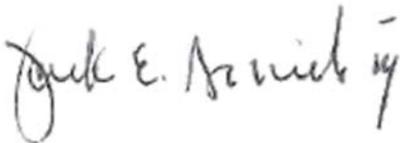
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Madison Area Technical College District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the twenty-first consecutive year that Madison Area Technical College District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENT

We express our appreciation to the dedicated Finance staff for their significant investment of time and resources in the preparation of this report. In addition, we thank Madison College's Board of Trustees for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,



Jack E. Daniels III, Ph.D.
President



Mark Thomas
Vice President of Administrative Services
and Chief Financial Officer



December 5, 2018

MANAGEMENT'S RESPONSIBILITY

Board of Trustees
Madison Area Technical College District

The management of Madison College is responsible for the preparation and presentation of the financial statements in this report. This report has been prepared in accordance with generally accepted accounting principles based on our best judgments and giving due consideration to materiality.

Madison College has communicated the requirements for accurate records and accounting to appropriate employees and has developed a system of internal accounting controls designed to provide reasonable assurance for the safeguarding of assets and for the reliability of financial records. This system includes selection and training of qualified personnel, organizational arrangements to provide for an appropriate division of responsibility, communication of standard accounting and internal control policies, and regular meetings on accounting matters.

Annually an independent public accounting firm, which we retain to audit our financial statements, is responsible for expressing an opinion as to whether our financial statements present fairly the financial position, results of operations, and cash flows. The audit includes a review of our internal control structure and a testing of the accounting procedures and financial records.

The Madison College Board of Trustees is composed of concerned and qualified citizens who meet regularly with the independent auditors and management. This Board reviews the audit scope, discusses financial and reporting subjects, and considers management action on these matters. There is full and free access to the Board by the independent auditors.

We believe our policies, internal controls, and review processes provide reasonable assurance that our financial information contains the integrity and objectivity necessary for properly reporting Madison College's transactions.

Jack E. Daniels III, Ph.D.
President

Mark Thomas
Vice President of Administrative Services
and Chief Financial Officer

Joseph Hasler
Madison College Board Chair

Shiva Bidar-Sielaff
Madison College Board Treasurer

Map of Wisconsin Technical College District





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Madison Area Technical College District
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

Madison Area Technical College District Board

FY 2018 - 2019



Shiva Bidar-Sielaff
Board Treasurer
[Employer Member]
Term Expires 6/30/21
Chief Diversity Officer, University
of Wisconsin Hospital and Clinics



Dr. Elton J. Crim, Jr.
[Member-at-Large]
Term Expires 6/30/20
Clinical Professor of Higher
Education, University of
Wisconsin-Madison



Kelly J. Crombie
[Elected Official]
Term Expires 6/30/20
Columbus School District Board
of Education Member,
Owner, Mullin's Drive-In,
Attorney, Crombie Law Office LLC



Randy S. Guttenberg
[School District Administrator]
Term Expires 6/30/21
Superintendent, Waunakee
Community School District



Arlyn R. Halvorson
Board Vice-Chair
[Employee Member]
Term Expires 6/30/19
Dane County Highway Department
and President of American
Federation of State, County and
Municipal Employees Local 65



Joseph J. Hasler
Board Chair
[Employer Member]
Term expires 6/30/19
Attorney, LaRowe Gerlach Taggart
LLP



Frances M. Huntley-Cooper
Board Secretary
[Member-at-Large]
Term Expires 6/30/20
Retired



Ananda Mirilli
[Member-at-Large]
Term Expires 6/30/19
Education Equity Consultant,
Wisconsin Department of
Public Instruction



Shawn W. Pfaff
[Employee Member]
Term expires 6/30/19
Owner, Pfaff Public
Affairs LLC



Jack E. Daniels III, Ph.D.
President
Madison Area Technical College

INDEPENDENT AUDITORS' REPORT

District Board
Madison Area Technical College District
Madison, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the Madison Area Technical College District, as of and for the year ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to an express opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the Madison Area Technical College District as of June 30, 2018 and 2017, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note L to the financial statement, in 2018, Madison Area Technical College District adopted new accounting guidance, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. As a result of the implementation, Madison Area Technical College District reported a restatement for the change in accounting principal. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Other Postemployment Benefits Plan Information, and the Pension Plan Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Madison Area Technical College District's basic financial statements. The introductory section, individual fund financial statements, the schedule to reconcile budget basis financial statements to basic financial statement, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *Wisconsin State Single Audit Guidelines* are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements, the schedule to reconcile budget bases financial statements to the basic financial statements, and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

District Board
Madison Area Technical College District

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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2018, on our consideration of the Madison Area Technical College 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 the Madison Area Technical College District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison Area Technical College District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 5, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

The purpose of Management's Discussion and Analysis (MD&A) is to provide users of the basic financial statements with a narrative introduction, overview, and analysis of those statements. The MD&A provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements.

Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to Madison Area Technical College District's basic financial statements. The statements are comprised of two components: government-wide financial statements and notes to financial statements.

Government-wide financial statements—the government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The statement of net position presents information on all of the District's assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or declining. This statement is prepared under the accrual basis of accounting whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

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 non-operating. As the District receives the majority of its revenues from the taxpayers and other government entities, the District will report an operating deficit or loss. Revenues received from taxpayers (tax levies) and from the state (state appropriations) are considered non-operating revenue, and reduce the operating deficit or loss. 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 statement of cash flows presents information related to cash inflows and outflows summarized by operating, noncapital, capital, and investing activities. This statement is important in evaluating the District's ability to meet financial obligations as they mature.

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements. The notes to financial statements are located after the government-wide financial statements in this report.

**The following summary shows a condensed version of the Statement of Net Position
(dollars in thousands)**

ASSETS	2018	2017	Increase (Decrease) 2018-2017	2016	Increase (Decrease) 2017-2016
Cash and investments	\$ 88,406	\$ 81,429	\$ 6,977	\$ 85,888	\$ (4,459)
Net capital assets	256,549	251,104	5,445	231,930	19,174
Net pension asset	19,200	-	19,200	-	-
Other assets	42,765	30,316	12,449	44,319	(14,003)
Total Assets	406,921	362,849	44,072	362,137	712
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to pensions	32,027	43,320	(11,293)	56,721	(13,401)
Deferred outflows of resources related to OPEBs	1,866	-	1,866	-	-
Refunding loss	4,528	-	4,528	-	-
Total Deferred Outflows of Resources	38,420	43,320	(4,900)	56,721	(13,401)
LIABILITIES					
Current liabilities	59,221	52,940	6,281	65,928	(12,988)
Net pension liability	-	5,334	(5,334)	10,778	(5,445)
Net OPEB liability	24,053	1,562	22,491	2,178	(616)
Other long-term liabilities	167,075	166,602	474	171,120	(4,518)
Total Liabilities	250,349	226,437	23,912	250,005	(23,567)
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to pensions	37,838	22,099	15,739	22,808	(709)
Deferred inflows of resources related to OPEBs	497	-	497	-	-
Total Deferred Inflows of Resources	38,335	22,099	16,236	22,808	(709)
NET POSITION					
Net investment in					
capital assets	113,912	104,751	9,160	91,227	13,525
Restricted for capital acquisitions	9,849	-	9,849	-	-
Restricted for debt service	3,057	2,283	774	2,119	164
Restricted for net pension asset	19,200	-	19,200	-	-
Unrestricted	10,639	50,597	(39,959)	52,699	(2,102)
Total Net Position	\$ 156,657	\$ 157,632	\$ (975)	\$ 146,046	\$ 11,587

Fiscal Year 2018 Compared to 2017

Total assets increased by \$44.1 million, or 12.1%. This was a result in an increase in all categories of assets.

- The net pension asset increased from \$0 to \$19.2 million since this year the Wisconsin Retirement System recorded a net pension asset compared to a net pension liability from last year. Additional disclosure information can be found in Note E on Pensions.

- Cash and investments increased by \$7.0 million or 8.6%. There was an increase of investments at yearend compared to the prior year. The District has made an effort to invest in more local CDs while maintaining the liquidity needed for operations. In addition, there were many gifts received before the close of the yearend to support the construction of a new Madison South Campus that will be ready for the fall of 2019.
- Net capital assets increased by \$5.4 million or 2.2%. Net capital assets added this fiscal year were land worth \$2.5 million, equipment \$14.5 million, and building and land improvements of \$10.8 million. There was a reduction of construction in progress of \$1.6 million. Depreciation expense and sale/disposals reduced net capital assets for the year by \$18.0 million.
- Other assets increased by \$12.4 million or 41.1%, in large part due to the change in student fee receivables. The Governor did not approve the tuition within the normal timeframe for the fiscal year 2017 assessments thus significantly reducing the student receivables in that year.

Deferred outflows of resources is a consumption of net position by the District that is applicable to future reporting periods.

- Deferred outflows of resources related to pensions decreased by \$11.3 million or 26.1%.
- Deferred outflows of resources related to OPEBs increased from \$0 to \$1.9 million.
- There was a refunding loss recorded due to an advance refunding of GO Bonds Series 2010-11B and GO Bonds Series 2011-12A. The deferred outflow related to this loss was \$4.5 million.

Total liabilities increased by \$23.9 million or 10.6% for the fiscal year.

- Current liabilities increased by \$6.3 million or 11.9%. Unearned program and material fees increased by \$14.0 million as a result in the tuition not being approved by the Governor in time for fiscal year 2017. There was an offsetting decrease of \$5.5 million in accrued liabilities. In addition, there was a \$1.3 million decrease in the current portion of long-term obligations and a \$601,000 decrease in accounts payable.
- The net pension liability was decreased by \$5.3 million to \$0 and was changed to a pension asset for fiscal year 2018.
- The net OPEB liability was first recorded in fiscal year 2018 due to the new reporting requirements of GASB Statement No. 74 and 75. This resulted in an increase of \$22.5 million. This includes a liability of \$10.6 million for OPEB health insurance and \$13.5 million for OPEB life insurance. Please see Note F and F(1) for additional disclosure information regarding OPEBs.
- Other long-term liabilities decreased by \$474,000 or less than 1%, mainly due to a decrease in compensated absences.

Deferred inflows of resources is an acquisition of net position by the District that is applicable to a future reporting period.

- Deferred inflows of resources related to pensions increased by \$15.7 million or 71.2%.
- Deferred inflows of resources related to OPEBs increased by \$497,000 from \$0 reported in fiscal year 2017.

Net position decreased by \$975,000 or less than 1%, for the fiscal year.

- Net investment in capital assets increased by \$9.2 million or 8.7%. Many large projects were completed within the fiscal year.
- Restricted for capital acquisitions increased by \$9.8 from \$0. The District had received gifts restricted for the construction of a new campus that was not yet fully expensed.

- Restricted for debt service increased by \$774,000 or 33.9%. Premiums received on debt issues are included in the debt service fund and accrued interest is excluded from the reserve balance.
- Restricted for net pension asset increased by \$19.2 million from \$0. The District portionate share of the WRS net pension asset (liability) changed from a net liability to a net asset in the current year as a result of the plan events.
- Unrestricted net position decreased by \$39.9 million or 79.0%. This is in large part due to the prior period adjustment to record the beginning balance of OPEB due to the new requirements of GASB Statement No. 74 and 75. Additional detail on the prior period adjustment can be found in Note L – Restatement of Net Position. The change in restricted net position for net pension asset also reduced the unrestricted net position in the current year.

Fiscal Year 2017 Compared to 2016

Total assets increased by \$712,000, or less than 1%. This was a combination of an increase in capital assets offset by a decrease in cash and cash equivalents and other assets:

- Cash and cash equivalents decreased by \$4.5 million, or 5.2%, as there was a corresponding increase to net capital assets.
- Net capital assets increased by \$19.2 million or 8.3%. Net capital assets added this fiscal year were equipment \$2.4 million, building and land improvements of \$42.3 million and a reduction in construction in progress of \$13.1 million. Depreciation expense and sale/disposals reduced net capital assets for the year by \$20.0 million and \$153,000 respectively.
- Other assets decreased by \$14.0 million, or 31.6%, in large part due to the tuition not being approved by the Governor within the budget prior to the yearend. This results in a lower accounts receivable amount.

Total liabilities decreased by \$23.6 million, or 9.4% for the fiscal year:

- Current liabilities decreased \$13.0 million or 19.7%. Unearned program and material fees were reduced as a result of the tuition not being approved by the Governor or assessed on students' accounts prior to yearend.
- The net pension liability also decreased by \$5.4 million or 50.5% from the previous year. Deferred outflows of resources related to pensions decreased by \$13.4 million, or 23.6%, while the deferred inflows of resources related to pensions decreased by only \$709,000 or 3.1%. See Note E in the Notes to Financial Statement for additional disclosure information.
- Long-term liabilities decreased \$5.1 million or 3%. The long-term portion of accrued compensated absences and the general obligation notes payable were both reduced. In addition, the other post-employment benefits have continued to decrease.

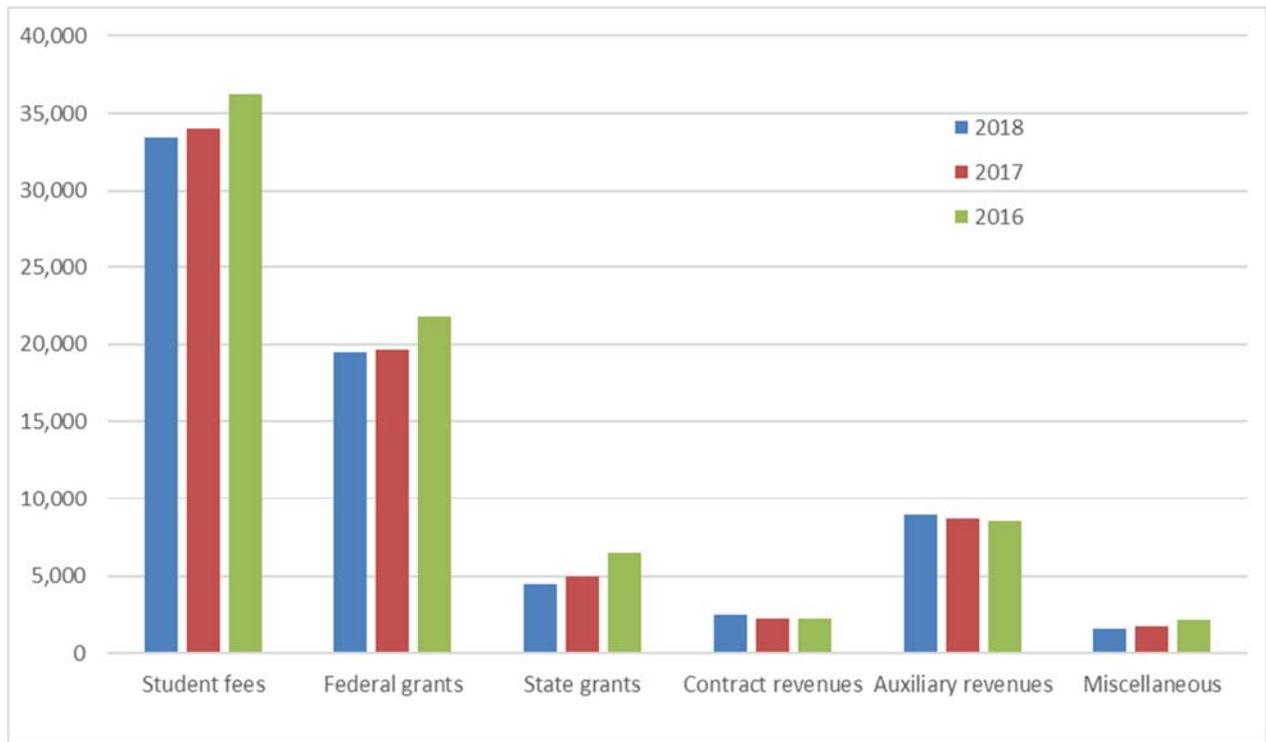
Net position increased by \$11.6 million, or 7.9%, for the fiscal year:

- Net investment in capital assets increased \$13.5 million or 14.8%. Many projects were completed within the fiscal year.
- Restricted for debt service increased by \$164,000 or 7.7%. Premiums received on debt issues are included in the debt service fund and accrued interest is excluded from the reserve balance.
- Unrestricted net position decreased by \$2.1 million, or 4.0%, due mainly to the result of current year operating activities and non-operating revenues.

The following is a summary of Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2018, 2017, and 2016 (dollars in thousands)

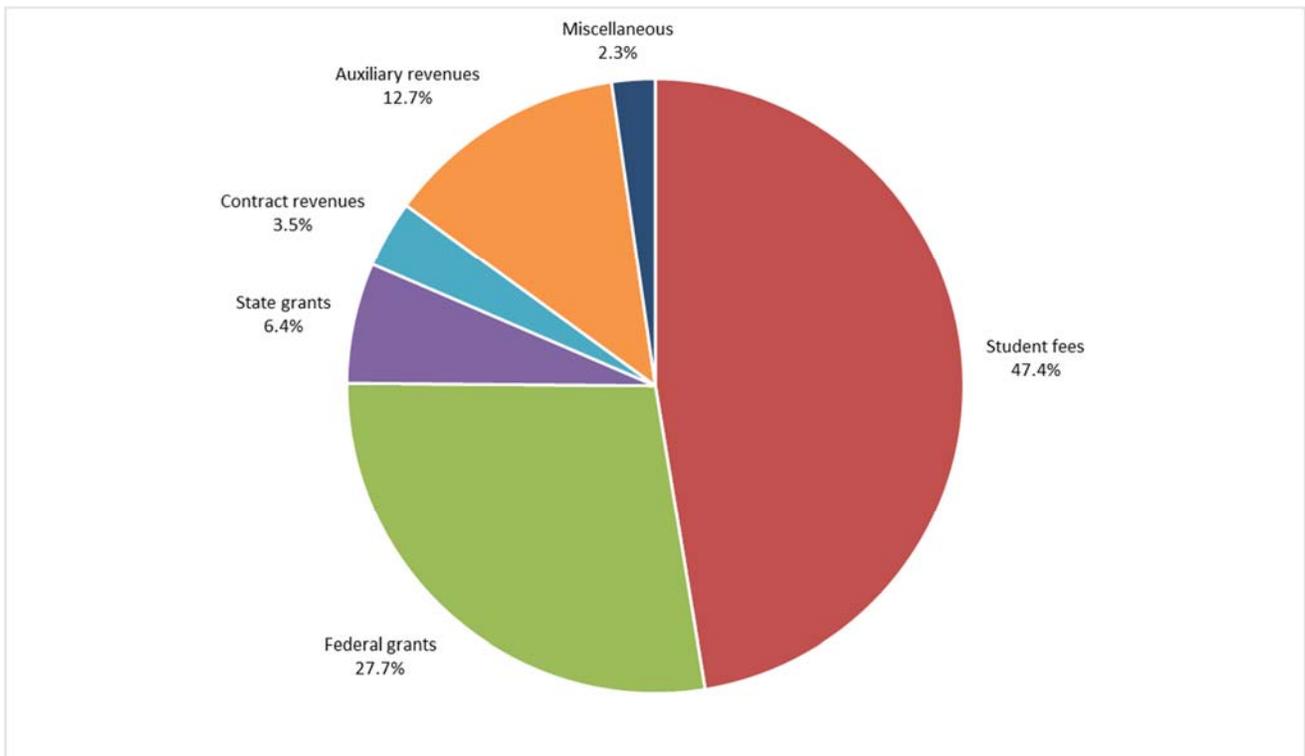
	2018	2017	Increase (Decrease) 2018-2017	2016	Increase (Decrease) 2017-2016
Operating revenues					
Student fees	\$ 33,394	\$ 34,038	\$ (644)	\$ 36,207	\$ (2,169)
Federal grants	19,516	19,622	(106)	21,763	(2,141)
State grants	4,482	4,977	(495)	6,447	(1,470)
Contract revenues	2,491	2,276	215	2,249	27
Auxiliary revenues	8,936	8,660	276	8,493	167
Cost reimbursements	84	82	2	82	-
Miscellaneous	1,602	1,776	(174)	2,122	(346)
Total operating revenues	70,506	71,431	(925)	77,363	(5,932)
Non-operating revenues					
Property taxes	74,991	73,677	1,314	66,584	7,093
State appropriations	72,586	72,222	364	73,751	(1,529)
Gifts, grants and bequests	15,688	3,524	12,164	968	2,557
Investment income earned	1,141	545	597	183	362
Total non-operating revenues	164,406	149,968	14,438	141,485	8,483
Total revenues	234,912	221,399	13,513	218,848	2,551
Operating expenses					
Instruction	109,284	111,372	(2,089)	111,212	161
Instructional resources	8,376	7,933	443	8,571	(638)
Student services	15,665	17,618	(1,953)	14,290	3,327
General institutional	15,010	14,363	648	13,999	364
Physical plant	21,267	10,796	10,470	27,562	(16,765)
Public service	416	366	50	664	(298)
Auxiliary enterprise services	10,557	12,160	(1,603)	9,547	2,613
Depreciation	20,735	20,029	706	19,327	702
Student aid	9,849	10,089	(240)	11,519	(1,430)
Total operating expenses	211,159	204,727	6,432	216,690	(11,964)
Non-operating expenses					
Loss (gain) on disposal of capital assets	27	145	(118)	158	(13)
Interest expense	3,732	4,941	(1,209)	4,911	30
Total non-operating expenses	3,759	5,086	(1,327)	5,069	16
Total expenses	214,918	209,812	5,105	221,760	(11,947)
Increase (Decrease) in Net Position	19,994	11,586	8,408	(2,912)	14,498
Net position - beginning of the year - restated	136,663	146,046		148,958	
Net position - end of the year	\$ 156,657	\$ 157,632		\$ 146,046	

**Comparison of Operating Revenues
For the Years Ended June 30, 2018, 2017 and 2016 (dollars in thousands)**

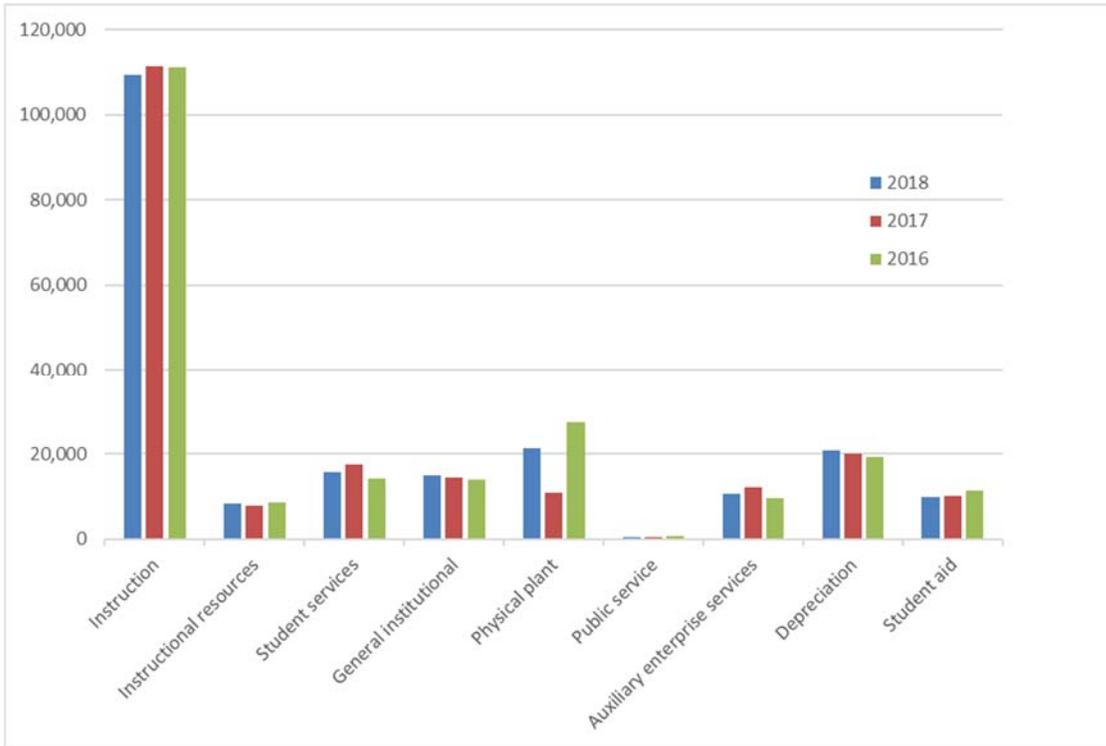


The following is a graphical illustration of operating revenues by source for the fiscal year ended June 30, 2018.

**Operating Revenues
For the Year Ended June 30, 2018**

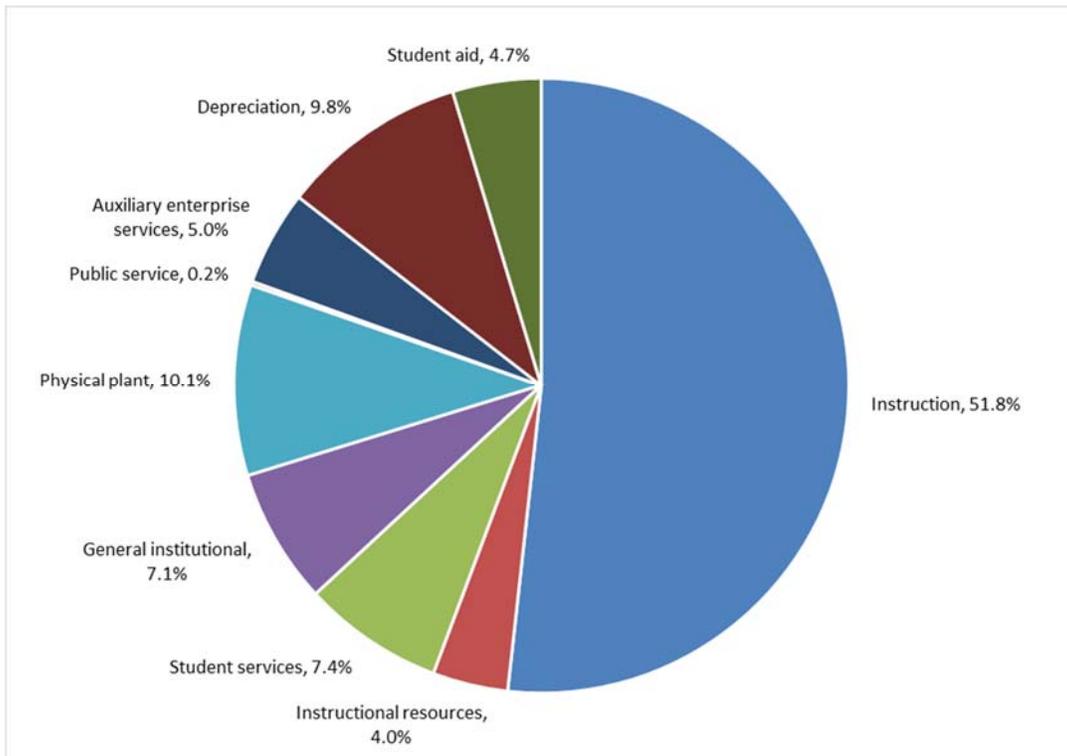


**Comparison of Operating Expenses
For the Years Ended June 30, 2018, 2017 and 2016 (dollars in thousands)**



The following is a graphical illustration of operating expenses by function for the fiscal year ended June 30, 2018.

**Operating Expenses
For the year ended June 30, 2018**



Fiscal Year 2018 Compared to 2017

Operating revenues are the charges for services offered by the District. During 2018, the District generated \$70.5 million of operating revenue, a decrease of \$925,000 or 1.3%.

- Student fees decreased by \$644,000 or 1.9%. There was a decline in overall enrollment and an increase in scholarship allowances that account for the overall decrease.
- Federal grants only decreased by \$106,000 or less than 1%. This is typical with a decrease in enrollment.
- State grants decreased by \$495,000 or 9.9%. The majority of this decrease is attributable to the Blue Print grant, which ended within fiscal year 2017.
- Contract revenue increased by \$215,000 or 9.5%. Employers in the District continue to seek professional development and training for their employees.
- Auxiliary revenues increased by \$276,000 or 3.2%. This is attributable to the cafeteria being fully functional during fiscal year 2018.

Operating expenses are costs related to offering the programs of the District. During 2018, total operating expenses were \$211.2 million, an increase of \$6.4 million or 3.1%.

- There was a significant increase in physical plant expenses to \$21.3 million, an increase of \$10.5 million or 97.0%. The District completed many large remodel/construction projects within fiscal year 2018.
- There was an offsetting decrease in auxiliary enterprise services of \$1.6 million or 13.2%, in large part to a decrease in contracted services and equipment for technical services.
- Instructional expenses decreased by \$2.1 million or 1.9% which is expected due to the decline in enrollment.
- Student services expenditures decreased by \$2.0 million or 11.1%, which aligns with the trend in enrollments.
- Student aid decreased by \$240,000 or 2.4% which is expected to follow the enrollments.

Non-operating revenue are items not directly related to providing instruction. During 2018, the District generated \$164.4 million of non-operating revenue, an increase of \$14.4 million or 9.6%.

- Property taxes increased by \$1.3 million or 1.8%.
- State appropriations increased slightly by \$364,000 or less than 1%.
- Investment income more than doubled and increased \$597,000 or 109.6%. Interest rates continue to increase as our cost of borrowing remains rather stable.
- The real significant increase is due to gifts and donations received for the construction of a new metro campus located just south of Madison. Gifts increased by \$12.2 million or 345.1% compared to last fiscal year.

Non-operating expenses are items not directly related to providing instruction. During 2018, total non-operating expenses for the District were \$3.8 million, a decrease of \$1.3 million or 26.1%.

- The losses reported on the disposal of capital assets decreased by \$118,000 or 81.3% compared to last year.
- Interest expense decreased by \$1.2 million or 24.5%. This decline is mainly due to the management of borrowing at low costs and strategically spacing the interest payments over a period of years for repayment. In addition, during fiscal year 2018, the District refinanced series 2010-11B Bonds and Series 2011-12A Bonds to take advantage of interest costs over time.

Fiscal Year 2017 Compared to 2016

During 2017, the District generated \$71.4 million of operating revenue, a decrease of \$5.9 million, or 7.7%:

- Student fees decreased by \$2.1 million or 6.0%. There was a decline in overall enrollment including an 18.63% decline in the technical diploma credits.
- Federal grants decreased by \$2.1 million or 9.8%. It is common to see a similar trend with federal grants and enrollment due to the financial aid awards.
- State grants decreased by \$1.5 million or 22.8%. This is attributable to the Blue Print grant, a multi-year grant that ended within fiscal year 2017.
- Auxiliary revenues increased by \$167,000 or 2%. This is mainly due to the cafeteria being re-opened after an extended shutdown period and limited hours of operation due to construction.

During 2017, total operating expenses were \$204.7 million, a decrease of \$12.0 million or 5.5%. The decrease was largely due to the decrease in physical plant expenses to \$10.8 million, a decrease of \$16.8 million or 60.8%. The District was able to complete many large remodel/construction projects within fiscal year 2017. This decrease was partially offset by an increase in expenditures in auxiliary enterprise services to \$12.2 million, an increase of \$2.6 million or 27.4%. The cafeteria was closed for a large part of fiscal year 2016 due to construction. There were increased operating costs once it opened, resulting in the increase over last year.

During 2017, the District generated \$149.9 million of non-operating revenue, an increase of \$8.5 million or 6.0%:

- Property taxes increased by \$7.1 million or 10.7%, while state appropriations decreased by \$1.5 million or 2.1%.
- Investment income increased by \$362,000, or 197.8%, which is attributable to the recent increases in investment rates.
- The District had an increase in gifts and grants of \$2.6 million or 264.2%. This is largely due to the gift received for the new sports complex and athletic fields.

During 2017, total non-operating expenses for the District were \$5.1 million, an increase of \$68,000 or 1.3%. The increase is mainly due to the increase in the losses reported on the disposal of capital assets, which increased by \$38,000 or 24.1%.

Capital Asset and Debt Administration

The District's investment in capital assets as of June 30, 2018 and 2017, net of accumulated depreciation, amounted to \$256.5 million and \$251.1 million respectively. This investment in capital assets includes land and land improvements, construction in progress, buildings and improvements, and moveable equipment. Additional information on the District's capital assets can be found in Note C of the financial statements.

At the end of the current fiscal year, the District had total general obligation debt outstanding of \$166.8 million. The balance at the end of June 30, 2017 was \$171.1 million. The District's bonds and notes continue to maintain a Standard & Poor's AAA rating, and the District continues to meet all of its debt service requirements. All general obligation debt is repaid over the life of the assets acquired with debt proceeds. The current debt adequately replaces and expands the equipment and facility needs of the District. Additional information on the District's long-term debt can be found in Note D of the financial statements.

Gifts/Donations

Construction of all phases of the District's new South Campus had begun in June 2018 and plans to be completed in time to hold classes and community meetings there in fall of 2019. This was accomplished through generous gifts and donations from various organizations, companies and the people of the community. \$10 million was gifted from the Irwin A. and Robert D. Goodman Foundation. \$1.3 million was contributed from American Family Dreams Foundation and up to \$10.2 million will be received from Great Lakes Higher Education Corporation and dozens of other donations to ensure the completion of the 75,000 square-foot campus. The South Campus initiative aims to increase access of South Madison residents to Madison College, work with community leaders to better assess educational and training gaps and offer affordable programs and classes that fill those gaps. This initiative has been met with extremely favorable responses throughout the community.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Mark Thomas, Vice President for Administrative Services & Chief Financial Officer, 1701 Wright Street, Madison, WI 53704.

MADISON AREA TECHNICAL COLLEGE DISTRICT
STATEMENTS OF NET POSITION
As of June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 46,020,255	\$ 48,237,034
Restricted cash and cash equivalents	14,134,874	10,847,309
Restricted investments	28,251,090	22,344,538
Accounts receivable	2,697,312	2,892,129
Property taxes receivable	17,807,120	17,991,634
Federal and state aid receivable	1,817,103	1,848,887
Student fee receivable, less allowance of \$4,675,000 for 2018 and \$4,495,000 for 2017	18,807,269	5,116,757
Inventories	639,117	814,753
Prepaid items	997,039	1,652,014
Total current assets	<u>131,171,179</u>	<u>111,745,055</u>
Non-current Assets		
Net pension asset	19,199,954	-
Land	7,589,891	5,066,138
Construction in progress	7,334,078	8,982,543
Other capital assets	428,848,561	406,240,616
Less accumulated depreciation	<u>(187,223,152)</u>	<u>(169,185,565)</u>
Total non-current assets	<u>275,749,332</u>	<u>251,103,732</u>
TOTAL ASSETS	<u>406,920,511</u>	<u>362,848,787</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	32,026,576	43,319,975
Deferred outflows of resources related to OPEBS	1,866,202	-
Refunding loss	4,527,557	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>38,420,335</u>	<u>43,319,975</u>
LIABILITIES		
Current Liabilities		
Accounts payable	7,355,990	7,957,518
Accrued payroll and other accrued liabilities	4,006,317	9,487,228
Accrued interest	1,735,062	1,923,118
Unearned program and material fees	16,501,883	2,547,755
Due to other organizations	2,037,371	1,915,619
Current portion of compensated absences	6,675,582	6,869,807
Current portion of long-term obligations	<u>20,909,059</u>	<u>22,239,300</u>
Total current liabilities	<u>59,221,264</u>	<u>52,940,345</u>
Long-term Liabilities		
Compensated absences	8,108,174	9,302,609
General obligation debt	158,931,161	157,258,585
Capital lease	36,058	40,117
Net pension liability	-	5,333,502
Net OPEB liability	<u>24,052,512</u>	<u>1,562,288</u>
Total long-term liabilities	<u>191,127,905</u>	<u>173,497,101</u>
TOTAL LIABILITIES	<u>250,349,169</u>	<u>226,437,446</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	37,838,154	22,099,043
Deferred inflows of resources related to OPEBS	<u>496,638</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>38,334,792</u>	<u>22,099,043</u>
NET POSITION		
Net investment in capital assets	113,911,774	104,751,403
Restricted for capital acquisitions	9,849,335	-
Restricted for debt service	3,057,209	2,283,377
Restricted for net pension asset	19,199,954	-
Unrestricted	<u>10,638,613</u>	<u>50,597,493</u>
TOTAL NET POSITION	<u>\$ 156,656,885</u>	<u>\$ 157,632,273</u>

The accompanying notes are an integral part of these statements.

MADISON AREA TECHNICAL COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating revenues		
Student program fees, net of scholarship allowances of \$5,480,720 and \$5,337,301 for 2018 and 2017, respectively	\$ 29,928,213	\$ 30,703,618
Student material fees, net of scholarship allowances of \$213,535 and \$201,408 for 2018 and 2017, respectively	1,281,266	1,189,908
Other student fees, net of scholarship allowances of \$776,489 and \$755,278 for 2018 and 2017, respectively	2,184,923	2,144,304
Federal grants	19,515,611	19,621,514
State grants	4,482,074	4,977,457
Business and industry contract revenue	2,361,112	2,122,728
School district contract revenue	130,288	153,476
Auxiliary enterprise revenues	8,936,361	8,660,085
Cost reimbursements	84,196	82,491
Miscellaneous	1,601,715	1,775,781
Total operating revenues	<u>70,505,759</u>	<u>71,431,362</u>
Operating expenses		
Instruction	109,283,605	111,372,469
Instructional resources	8,375,947	7,932,980
Student services	15,665,290	17,617,800
General institutional	15,010,440	14,362,871
Physical plant	21,266,611	10,796,326
Public service	415,723	365,999
Auxiliary enterprise services	10,557,217	12,160,275
Depreciation	20,735,136	20,028,875
Student aid	9,848,889	10,089,249
Total operating expenses	<u>211,158,858</u>	<u>204,726,844</u>
Operating loss	<u>(140,653,099)</u>	<u>(133,295,482)</u>
Non-operating revenues (expenses)		
Property taxes	74,990,662	73,676,951
State appropriations	72,586,126	72,221,737
Gifts, grants and bequests	15,688,206	3,524,425
Gain (loss) on disposal of capital assets	(27,035)	(144,957)
Investment income earned	1,141,119	544,505
Interest expense	(3,731,754)	(4,940,565)
Total non-operating revenues	<u>160,647,324</u>	<u>144,882,096</u>
CHANGE IN NET POSITION	19,994,225	11,586,614
Net position - beginning of the year as previously reported	<u>157,632,273</u>	<u>146,045,659</u>
Prior period adjustment	<u>(20,969,613)</u>	<u>-</u>
Net position - beginning of the year, restated	<u>136,662,660</u>	<u>146,045,659</u>
Net position - end of the year	<u>\$ 156,656,885</u>	<u>\$ 157,632,273</u>

The accompanying notes are an integral part of these statements.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Tuition and fees received	\$ 33,852,835	\$ 34,010,274
Federal and state grants received	24,029,469	27,104,419
Business, industry and school district contract revenues received	2,491,400	2,276,204
Payments to employees including related benefits	(145,424,237)	(133,935,304)
Payments to suppliers	(47,548,197)	(45,478,604)
Auxiliary enterprise revenues received	8,936,361	8,660,085
Other receipts	<u>1,685,911</u>	<u>1,873,271</u>
Net cash used in operating activities	<u>(121,976,458)</u>	<u>(105,489,655)</u>
Cash flows from noncapital financing activities		
Local property taxes received	75,175,176	72,305,879
State appropriations received	72,586,126	72,221,737
Gifts, grants and bequests	<u>15,688,206</u>	<u>3,524,425</u>
Net cash provided by noncapital financing activities	<u>163,449,508</u>	<u>148,052,041</u>
Cash flows from capital and related financing activities		
Purchases of capital assets	(27,512,722)	(39,225,659)
Proceeds on disposal of capital assets	-	7,985
Premium on issuance of capital debt	215,462	1,152,378
Premium on issuance of refunding debt	6,000,274	
Proceeds from issuance of capital debt	25,000,000	25,400,000
Proceeds from issuance of refunding debt	53,120,000	
Payments to Escrow	(57,512,557)	
Principal paid on capital debt	(29,509,300)	(28,589,556)
Interest paid on capital debt	<u>(5,437,988)</u>	<u>(6,311,006)</u>
Net cash provided by (used in) capital and related financing activities	<u>(35,636,831)</u>	<u>(47,565,857)</u>
Cash flows from investing activities		
Investment income received	1,141,119	544,505
Purchase of investments	(17,156,380)	(24,331,238)
Proceeds on sale of investments	<u>11,249,828</u>	<u>2,240,638</u>
Net cash provided by (used in) investing activities	<u>(4,765,433)</u>	<u>(21,546,095)</u>
Net increase in cash and cash equivalents	1,070,786	(26,549,567)
Cash and cash equivalents at beginning of year	<u>59,084,343</u>	<u>85,633,910</u>
Cash and cash equivalents at end of year	<u>\$ 60,155,129</u>	<u>\$ 59,084,343</u>

The accompanying notes are an integral part of these statements.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS - CONTINUED
For the Years Ended June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (140,653,099)	\$ (133,295,482)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	20,735,136	20,028,875
Changes in assets and liabilities:		
Accounts receivable	194,817	(302,738)
Federal and state aid receivable	31,784	2,505,448
Student fee receivable	(13,690,512)	13,735,910
Inventories	175,636	178,970
Prepaid items	654,975	(758,208)
Accounts payable	718,395	368,420
Accrued payroll	(5,480,911)	400,411
Unearned program and material fees	13,954,128	(13,460,728)
Due to other organizations	121,752	(521,412)
Accrued compensated absences	(1,388,660)	(1,015,662)
Pension benefits	(24,533,456)	(5,444,617)
Deferred outflows of resources related to pensions	11,293,399	13,400,903
Deferred outflows of resources related to OPEBS	15,739,111	-
Other postemployment benefits	1,520,611	(615,805)
Deferred inflows of resources related to pensions	(1,866,202)	(708,940)
Deferred inflows of resources related to OPEBS	496,638	-
	<u>\$ (121,976,458)</u>	<u>\$ (105,504,655)</u>
Net cash used in operating activities		
Position		
Unrestricted cash and cash equivalents	\$ 46,020,255	\$ 48,237,034
Restricted cash and cash equivalents	14,134,874	10,847,309
	<u>\$ 60,155,129</u>	<u>\$ 59,084,343</u>
Supplemental disclosure of non-cash investing and financing activities		
Interest charged to construction	\$ 15,018	\$ 221,293
Bond issuance costs paid by underwriter	\$ 215,462	\$ 260,003
Construction in progress reported in accounts payable	\$ 3,605,241	\$ 4,925,165

The accompanying notes are an integral part of these statements.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Madison Area Technical College District (the District) was first chartered as the Madison Industrial School in 1912. The District was legally organized on July 1, 1967, under the provisions of Chapter 292, Laws of Wisconsin 1965. The geographic area of the District is comprised of part of twelve counties in south central Wisconsin. There are 225 municipalities and 40 public school districts within the District's boundaries. The District contains 4,415 square miles and operates campuses in six cities: Columbus, Fort Atkinson, Madison, Portage, Reedsburg and Watertown. In addition, educational offerings are also provided throughout the District.

The governing body of the District is the District Board, which consists of nine members. The members are appointed to staggered three-year terms by twelve county board chairpersons (one from each county served by the District), who meet once a year to appoint members to the three open seats. The District Board membership includes two employers, two employees, three additional members, one school district administrator and one elected official who holds a state or local office. The District Board powers are established under the provisions of Chapter 38 of the Wisconsin Statutes and include:

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

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (US GAAP) as applicable to public colleges and universities as well as those prescribed by the Wisconsin Technical College System (WTCS). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

Reporting Entity

In May 2002, GASB issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*. In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*. In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB No. 14*, to provide additional guidance to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. Generally, it requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit.

Madison Area Technical College Foundation, Inc. (Foundation) is a not-for-profit corporation whose purpose is to solicit, hold, manage, invest, and expend endowment funds and other gifts, grants, and bequests exclusively for the maintenance and benefit of the District and its students. The Foundation is managed by an independent board of directors, and is not fiscally accountable to the District.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The financial resources of the Foundation are insignificant to the District as a whole and accordingly, financial information related to the Foundation is not included in these financial statements.

Basis of Accounting and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements of the District have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the years for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant intra-district transactions have been eliminated.

Use of Estimates

In preparing basic financial statements in conformity with US GAAP, the District is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources and liabilities and deferred inflows of resources and the disclosure of contingent assets and deferred outflows of resources and liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash includes demand deposits held at banks and small amounts maintained for change funds. Cash equivalents are defined as short-term highly liquid investments readily converted to cash with original maturities of three months or less when acquired.

Investments

GASB No. 72, Fair Value Measurement and Application provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to fair value measurements. Investments, other than the Wisconsin Local Government Investment Pool (LGIP) and Certificates of Deposits, are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Adjustments to fair value are recorded in the operating statement in investment income.

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 instruments 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, the Investment Series and the Limited Duration Series (LTD).

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Each of these series is invested in a separate portfolio of permitted investments. Annually audited financial statements of WISC are provided to all participants.

The WISC Multi-class Series currently meet all of the necessary criteria to elect to measure all of the investments in the Series at amortized cost. WISC Limited Term Duration (LTD) series measures its investments at fair value. The WISC investment pools are exempt from the GASB 72 fair value hierarchy disclosures. At June 30, 2018 and 2017, the fair value of the District's share of WISC's assets was substantially equal to the amount reported in these statements.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2018 and 2017, the fair value of the District's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

Inventories

Inventories of supplies that are to be used are reported at cost. Inventories held for resale, which include books, are reported at the lower of cost or market. Cost is determined primarily by the first-in, first-out method.

Capital Assets

Capital assets are valued at historical cost, less accumulated depreciation. Donated capital assets, donated works of art and similar items are reported at acquisition value. The costs of maintenance and repairs are charged to operations as incurred. Equipment assets having a cost of \$5,000 or more per unit and building or remodeling projects of \$15,000 or more are capitalized. Depreciation on buildings and equipment is provided in amounts sufficient to relate the cost of the depreciable assets to operations on the straight-line basis over the estimated useful life of the asset, which range from three to ten years for equipment and fifteen to fifty years for buildings and remodeling.

Capitalized interest is calculated for all construction in progress (CIP) assets, which are being funded from proceeds of tax-exempt bonds. The amount of interest cost capitalized for these assets is calculated by netting the interest on the bonds with the interest earned on investments acquired with the bond proceeds, from the date of the bond issuance until the assets are ready for their intended use. As of June 30, 2018 and 2017, the District had capitalized interest of \$15,018 and \$221,293, respectively.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Taxes and Taxes Receivable

The District Board, under Section 38.16 of the Wisconsin Statutes, on an annual basis levies a tax for operating purposes. Prior to fiscal year 2013-14, the District was permitted to levy property taxes up to a statutorily allowed operational mill rate of 1.5 mills; the District consistently remained below the limit. Beginning in fiscal year 2013-14 with 2013 Wisconsin Act 20, the mill rate limit was changed to cap the operational levy at 2013 levels. Increases in the operating levy are only possible with increases in the District's net new construction. Beginning in fiscal year 2014-15, under 2013 Wisconsin Act 145, this operational levy limit was eliminated and an estimated 0.89 mills were removed from property taxes and transferred to state funding.

The mill rate limitation is not applicable to taxes levied for the purposes of paying principal and interest on general obligation debt issued by the District that is used for capital improvements and equipment acquisitions.

The District communicates its property tax levy to city, village and town treasurers or clerks in October of the fiscal year for which the taxes are levied. The following dates are pertinent to the District's tax calendar:

Levy date	October 31, or within 10 days of receipt of equalized valuation, whichever is later
Payments:	
Taxes paid on or before December 31	Due to District by January 15
Taxes paid between January 1 and January 31	Due to District by February 20
Second installment due by July 31	Remaining balance due to District by August 20

The District recognizes its total levy as revenue in the fiscal year for which taxes are levied.

The 2018 and 2017 tax levies were as follows:

	Fiscal Year ending June 30, 2018	
	2018	2017
Mill rate for operations	0.51343	0.51176
Operational levy	\$ 40,868,408	\$ 38,539,818
Mill rate for debt service	0.42836	0.45398
Debt Service levy	\$ 34,096,938	\$ 34,188,500
Total mill rate	0.94179	0.96574
Total tax levy	\$ 74,965,346	\$ 72,728,318

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accumulated Unpaid Vacation, Sick Leave and Other Employee Benefit Amounts

Vacation

Accumulated vacation is recorded as accrued compensated absences in the statement of revenues, expenses and changes in net position.

Pensions

The District has a retirement plan covering substantially all of its employees, which is funded through contributions to the Wisconsin Retirement System ("WRS"). GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) provides guidance for how governments measure and report long-term obligations and annual costs associated with the pension benefits they provide.

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

Sick Leave

The District's employee fringe benefit program includes provisions that allow, at defined retirement, the dollar conversion of accumulated sick leave to a lump-sum distribution paid into the Special Pay Deferral Plan, the Health Reimbursement Arrangement (HRA), or a combination of the two. This payment is dependent on the health insurance choice at the time of retirement.

Employees over 55 with at least 5 years full time service, shall be paid (as explained below) for accumulated vested sick days for a maximum of 112.5 days. The non-vested compensated absences have been recorded based on the District's prior experience with employees remaining and receiving payment and the maximums allowed. The recorded sick leave is the amount reasonably expected to be paid out.

Effective July 1, 2015, new full time employees are not eligible for the sick leave payout upon retirement. New employees can accumulate up to 150 sick days, but the days are considered "non-vested" sick days. Current full time employees employed by the District as of June 30, 2015, are still eligible for the sick leave payout upon retirement as described. However, the employee's sick leave balance as of June 30, 2015, ("vested" sick days) will not increase. In addition, the employee's pay rate as of June 30, 2015, will be used to calculate the sick leave payout upon retirement.

Special Pay Deferral Plan

In December 2002, the District established the Special Pay Deferral Plan (the "Plan"), a tax qualified governmental retirement plan under sections 401(a) and 414(d) of the Internal Revenue Code of 1986 (the "Code"), as amended, to which it contributes all or a portion of an employee's accumulated sick leave payout upon retirement. The Plan also includes a tax-sheltered custodial account plan under section 403(b) of the Code, to which it contributes the excess, if any, of the employee's accumulated vested sick leave over the maximum amount that could be contributed to the tax qualified governmental retirement plan described in the preceding sentence.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Health Reimbursement Arrangement

In July 2003, the District established the Health Reimbursement Arrangement (HRA), a tax qualified governmental retirement plan under sections 401(a) and 414(d) of the Internal Revenue Code of 1986 (the "Code"), as amended, to which it contributes all or a portion of an employee's accumulated vested sick leave payout upon retirement. The HRA enables participants and their dependents to be reimbursed tax-free for eligible medical and dental expenses and health insurance premiums. Payments to the HRA are combined with payments to the Special Pay Deferral Plan.

Other Postemployment Benefits (OPEB) Retiree Health Insurance

The District also provides post-retirement health care benefits to full time teachers, paraprofessional/school related personnel ("PSRP") and administrators. GASB Statement No. 74 was implemented by the District for fiscal year 2017-18. The most notable change is that the Net OPEB liability will show as an item on the financial statement rather than a footnote entry.

For fiscal year 2017-18 teachers, PSRP employees and administrators who had been employed by the District for 30 or more years and who had attained the age of 57 at the time of retirement, or had been employed by the District for 20 or more years and who had attained the age of 60 at the time of retirement, received a single health insurance plan premium (WPS or GHC) to be paid for until the retiree reaches age 65 or qualifies for Medicare, whichever is earlier.

Other Postemployment Benefits (OPEB) Retiree Life Insurance

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fees and Tuition

Fees and tuition are recorded as revenue in the period in which the related activity or instruction takes place. Revenues for the summer semester are prorated on the basis of calendar days occurring before and after June 30. The District's student fee receivable is stated at amounts due from students, net of an allowance for doubtful accounts. Amounts outstanding longer than the agreed upon payment terms are considered past due. The District determines its allowance for doubtful accounts by considering a number of factors including length of time amounts are past due, and the District's previous loss history. The District writes off receivables when they become uncollectible, and payments subsequently collected on such receivables are credited to the allowance for doubtful accounts.

State and Federal Revenues

The District receives funding from various federal and state contracts and grants. These revenues are earned as expenditures are incurred. Such expenditures may be incurred during the grantor's fiscal period, which may be different than that of the District's fiscal period and are subject to the Title II US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and state single audit guidelines.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Federal Direct Student Loans programs. Federal programs are audited in accordance with the Uniform Guidance and the Compliance Supplement.

Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (Foundation scholarships or funds provided to students by third parties) is accounted for as third party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating revenue when received and operating expense when disbursed or scholarship allowances, which reduce revenues. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition.

Classification of Revenue and Expense

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

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

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

Net Position

Net position is classified according to restrictions on availability of assets for satisfaction of District obligations.

Net investment in capital assets: This represents the net value of capital assets (land, buildings and equipment) less the debt incurred to acquire or construct the assets (excluding unamortized debt premiums) plus the borrowed resources not yet expended, but restricted for capital purchases. Premiums on debt are excluded from this calculation because they have been reserved for debt service and are therefore not capital related debt.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted net position: Restricted net position includes resources in which the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Restricted net position for debt service: This represents resources that can only be used to repay debt service costs (principal and interest) as they are levied for that specific purpose.

Restricted net position for net position: This represents resources that can only be used for future pension related obligations.

Unrestricted net position: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services provided by educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District and may be used at the discretion of the governing board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS

The District's cash and cash equivalents include cash on hand, demand deposits with financial institutions and short-term investments with original maturities of three months or less from the date of acquisition. Investments include debt securities, certificates of deposit and treasury notes with original maturities greater than three months from the date of acquisition.

Cash, Cash Equivalents and Investments

The District's cash, cash equivalents and investments consist of the following amounts at June 30:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents		
Petty cash funds	\$ 20,052	\$ 19,531
Cash in bank	23,292,360	54,711,867
Wisconsin Local Government Investment Pool (LGIP)	823,118	534,168
Wisconsin Investment Series Cooperative -		
Cash Management Series	36,019,599	3,818,777
Cash and cash equivalents sub-total	<u>60,155,129</u>	<u>59,084,343</u>
Investments		
Limited Term Duration Investment	15,272,578	20,094,710
Certificates of Deposit	10,981,500	2,249,828
US Treasury Notes	1,997,012	-
Investment sub-total	<u>28,251,090</u>	<u>22,344,538</u>
Total cash, cash equivalents and investments	<u>\$ 88,406,219</u>	<u>\$ 81,428,881</u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Cash, cash equivalents and investments are presented in the financial statements as follows:

	<u>2018</u>	<u>2017</u>
Current assets		
Unrestricted cash and cash equivalents	\$ 46,020,255	\$ 48,237,034
Restricted cash and cash equivalents	14,134,874	10,847,309
Restricted investments	<u>28,251,090</u>	<u>22,344,538</u>
 Total cash, cash equivalents and investments	 <u>\$ 88,406,219</u>	 <u>\$ 81,428,881</u>

Custodial Credit Risk – Deposits. Custodial risk is the risk that, in the event of a financial institution failure, the District’s deposits may not be returned to the District. The District does not have a policy regarding custodial credit risk for deposits. As of June 30, 2018 and 2017, the District had cash bank balances of \$23.3 and \$54.7 million, respectively, which were covered by depository insurance or secured through third party collateral agreements. As a result, the District did not hold any deposits that were exposed to custodial credit risk.

Cash Equivalents and Investments

The District is authorized by Wisconsin Statute 66.0603 to invest in the following instruments:

- * Obligations of the U.S. Treasury and U.S. Agencies.
- * Obligations of any Wisconsin county, city, drainage district, technical college district, village, town or school district.
- * Time deposits in any bank, trust company or savings and loan association that is authorized to transact business in Wisconsin, if the time deposits mature in not more than three years.
- * The state’s local government pooled investment fund or Wisconsin Investment Series Cooperative.
- * Any security maturing in seven years or less with either the highest or second rating category of a nationally recognized rating agency.
- * Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities.
- * Securities of open-end management investment companies or investment trusts, if the portfolio is limited to obligations of the U.S. Treasury and U.S. Agencies.
- * Bonds issued by a local exposition district, local professional baseball park district, or the University of Wisconsin Hospitals and Clinics Authority.

Further, the District seeks to invest in Wisconsin banks and other local investments to further support the local economy.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

The District has adopted an investment policy that requires the investment portfolio to be diversified as to instruments and dealers, subject to the following maximums by instrument:

Repurchase agreements	25%
Municipal Securities	40%
Time Deposits	100%
Money Market Mutual Funds – Rated	100%
U.S. Treasury bills or notes	100%
Other U.S. government agencies	75%
Commercial Paper	25%
Bankers' acceptances	25%
Open-end investment companies	100%
Wisconsin Local Government Investment Pool	100%
Wisconsin Investment Series Cooperative:	
Investment Series	75%
Limited Term Duration	75%
Cash Management Series	50%

Individual issues may not exceed 5% of the market value of the portfolio at the time of purchase with the exception of U.S. Government issues fully guaranteed as to both principal and interest by the U.S. Government or agencies thereof, shares of open-end investment companies (mutual funds), the Wisconsin Local Government Investment Pool and the Wisconsin Investment Series Cooperative.

Custodial Credit Risk – Cash Equivalents and Investments. Is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a policy regarding custodial credit risk for cash equivalents. Wisconsin Investment Series Cooperative instruments are held by the District's agent in the District's name. It is the District's policy to secure all investment securities through third party custody and safekeeping procedures. CD's are covered by depository insurance up to \$250,000 per issuing bank. As of June 30, 2018 and 2017, the District had \$0 and \$3,938, respectively, exposed to custodial credit risk on its investments.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits the maturity of any security to no more than five years from the date of purchase or in accordance with state and local statutes and ordinances. In addition, the policy indicates that the investment portfolio should be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The policy sets a maximum duration range of two years with a target duration of one year.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District's investment policy explicitly states that it will minimize credit risk by limiting investments to the safest type of securities and diversifying the investment portfolio - consistent with those investments allowed by state statutes, and according to the maximum percentages as previously disclosed within this footnote. In addition, individual securities may not exceed 5% of the market value of the portfolio at the time of purchase with the exception of U.S. Government issues fully guaranteed as to both principal and interest by the U.S. Government or agencies thereof, shares of open-end investment companies, the Wisconsin Local Government Investment Pool, or the Wisconsin Investment Series Cooperative. The Wisconsin Investment Series Cooperative Cash Management and Investment Series are rated AAAM by Standard and Poor's for principal stability. The Wisconsin Local Government Investment Pool is not rated.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measures as of June 30, 2018:

- U.S Treasury Notes of \$1,997,012 which are valued using a matrix pricing model (level 2 inputs).

The Districts remaining investments are not reported separately under GASB Statement No. 72 as the investments are excluded under this measurement.

Cash and investments are classified on the Statement of Net Position as follows at June 30:

	<u>2018</u>	<u>2017</u>
Restricted for:		
Debt service	\$ 4,792,271	\$ 4,206,495
Capital projects	37,593,693	28,985,352
Total restricted	42,385,964	33,191,847
 Unrestricted	 46,020,255	 48,237,034
 Total cash and cash equivalents and investments	 \$ 88,406,219	 \$ 81,428,881

The portion of cash, cash equivalents and investments restricted is for compliance with legal requirements and cannot be used for general purposes of the District.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows for the year ended June 30, 2018:

	2018			Ending Balance
	Beginning Balance	Additions	Deletions	
Capital assets, not being depreciated				
Land	\$ 5,066,138	\$ 2,523,753		\$ 7,589,891
Construction in progress	8,982,543	7,305,193	8,953,658	7,334,078
Total capital assets, not being depreciated	<u>14,048,681</u>	<u>9,828,946</u>	<u>8,953,658</u>	<u>14,923,969</u>
Capital assets, being depreciated				
Land improvements	10,470,962	870,180	-	11,341,142
Building and improvements	282,513,343	9,943,899	19,353	292,437,889
Equipment	113,256,311	14,518,448	2,705,229	125,069,530
Total capital assets, being depreciated	<u>406,240,616</u>	<u>25,332,527</u>	<u>2,724,582</u>	<u>428,848,561</u>
Less accumulated depreciation for				
Land improvements	4,990,294	290,479	-	5,280,773
Building and improvements	82,050,016	7,710,539	19,353	89,741,202
Equipment	82,145,255	12,734,116	2,678,194	92,201,177
Total accumulated depreciation	<u>169,185,565</u>	<u>20,735,134</u>	<u>2,697,547</u>	<u>187,223,152</u>
Total capital assets, being depreciated, net	<u>237,055,051</u>	<u>4,597,393</u>	<u>27,035</u>	<u>241,625,409</u>
Net capital assets	251,103,732	<u>\$ 14,426,339</u>	<u>\$ 8,980,693</u>	256,549,378
Less general obligation debt	(171,125,000)			(166,755,000)
Less capital lease	(44,417)			(40,117)
Plus unexpended debt proceeds included in general obligation debt	<u>24,817,088</u>			<u>24,157,513</u>
Total invested in capital assets, net of related debt	<u>\$104,751,403</u>			<u>\$ 113,911,774</u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE C - CAPITAL ASSETS (continued)

Capital asset activity was as follows for the year ended June 30, 2017:

	2017			Ending Balance
	Beginning Balance	Additions	Deletions	
Capital assets, not being depreciated				
Land	\$ 5,066,138			\$ 5,066,138
Construction in progress	22,042,931	8,549,217	21,609,605	8,982,543
Total capital assets, not being depreciated	<u>27,109,069</u>	<u>8,549,217</u>	<u>21,609,605</u>	<u>14,048,681</u>
Capital assets, being depreciated				
Land improvements	10,162,509	308,453	-	10,470,962
Building and improvements	240,529,336	41,984,007	-	282,513,343
Equipment	110,903,545	10,123,445	7,770,679	113,256,311
Total capital assets, being depreciated	<u>361,595,390</u>	<u>52,415,905</u>	<u>7,770,679</u>	<u>406,240,616</u>
Less accumulated depreciation for				
Land improvements	4,729,496	260,798	-	4,990,294
Building and improvements	74,822,883	7,227,133	-	82,050,016
Equipment	77,222,050	12,540,944	7,617,739	82,145,255
Total accumulated depreciation	<u>156,774,429</u>	<u>20,028,875</u>	<u>7,617,739</u>	<u>169,185,565</u>
Total capital assets, being depreciated, net	<u>204,820,961</u>	<u>32,387,030</u>	<u>152,940</u>	<u>237,055,051</u>
Net capital assets	231,930,030	<u>\$ 40,936,247</u>	<u>\$ 21,762,545</u>	251,103,732
Less general obligation debt	(174,310,000)			(171,125,000)
Less capital lease	(48,973)			(44,417)
Plus unexpended debt proceeds included in general obligation debt	<u>33,655,743</u>			<u>24,817,088</u>
Total invested in capital assets, net of related debt	<u>\$ 91,226,800</u>			<u>\$ 104,751,403</u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE D - LONG TERM LIABILITIES

Long-term liabilities of the District consist of other postemployment benefits, general obligation notes and bonds payable, capital lease, pension liability and compensated absences.

The changes in long-term liabilities are as follows:

	<u>June 30, 2017</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2018</u>	<u>Due Within One Year</u>
Notes and bonds payable	\$ 171,125,000	\$ 78,120,000	\$82,490,000	\$ 166,755,000	\$20,905,000
Capital lease	44,417	-	4,300	40,117	4,059
Compensated absences	16,172,416	5,481,147	6,869,807	14,783,756	6,675,582
Other postemployment benefits	1,562,288	24,020,868	1,530,644	24,052,512	-
Net pension liability	5,333,502	-	5,333,502	-	-
Premium on notes and bonds payable	8,368,585	6,215,736	1,503,160	13,081,161	-
	<u>\$ 202,606,208</u>	<u>\$113,837,751</u>	<u>\$97,731,413</u>	<u>\$ 218,712,546</u>	<u>\$27,584,641</u>
	<u>June 30, 2016</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2017</u>	<u>Due Within One Year</u>
Notes and bonds payable	\$ 174,310,000	\$ 25,400,000	\$28,585,000	\$ 171,125,000	\$22,235,000
Capital lease	48,973	-	4,556	44,417	4,300
Compensated absences	17,188,078	5,678,652	6,694,314	16,172,416	6,869,807
Other postemployment benefits	2,178,093	1,318,195	1,934,000	1,562,288	-
Net pension liability	10,778,119	-	5,444,617	5,333,502	-
Premium on notes and bonds payable	8,386,753	1,152,378	1,170,546	8,368,585	-
	<u>\$ 212,890,016</u>	<u>\$ 33,549,225</u>	<u>\$43,833,033</u>	<u>\$ 202,606,208</u>	<u>\$29,109,107</u>

The District pledges full faith, credit and resources of the District to pay all outstanding general obligation notes. The District levies taxes annually to pay the amount of principal and interest due for the debt.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE D - LONG TERM LIABILITIES (continued)

The debt obligations of the District at June 30, 2018 and 2017 are as follows:

	<u>Buyer</u>	<u>2018</u>	<u>2017</u>
Series 2010-11A Bond			
<p>\$12,100,000 general obligation school improvements bonds issued March 2, 2011 with interest at 2.50 to 3.50% payable semiannually in March and September; payments are varying amounts are due on March 1 of each year until maturity on March 1, 2021. Proceeds used to acquire and improve sites; constructing new buildings and facilities; adding to, upgrading, remodeling, and improving existing buildings, and acquiring furnishings, fixtures and equipment.</p>	M&I Marshall and Ilsley and Stern, Agee & Leach	\$ 4,155,000	\$ 5,445,000
Series 2010-11B Bond			
<p>\$41,500,000 general obligation school improvements bonds issued May 2, 2011 with interest at 2.00 to 5.00% payable semiannually in March and September; payments are varying amounts are due on March 1 of each year. Proceeds used to acquire and improve sites; constructing new buildings and facilities; adding to, upgrading, remodeling, and improving existing buildings, and acquiring furnishings, fixtures and equipment. Portion of this bond was refinanced with Series 2017 Bonds on December 21, 2017. Remaining debt on this bond matures March 1, 2021.</p>	Piper Jaffray	5,255,000	30,605,000
Series 2011-12A Bond			
<p>\$57,100,000 general obligation school improvements bonds issued July 1, 2011 with interest at 3.00 to 4.50% payable semiannually in March in September; payments are varying amounts are due on March 1 of each year. Proceeds used to acquire and improve sites; constructing new buildings and facilities; adding to, upgrading, remodeling, and improving existing buildings, and acquiring furnishings, fixtures and equipment. Portion of this bond was refinanced with Series 2017 Bonds on December 21, 2017. Remaining debt on this bond matures on March 1, 2021.</p>	Citi	8,765,000	42,460,000
Series 2011-12A Note			
<p>\$7,050,000 general obligation promissory note payable issued August 24, 2011 with interest at 2.00 to 2.50% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2020. Proceeds used to acquire moveable equipment.</p>	Bosc, Inc.	680,000	1,590,000

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE D - LONG TERM LIABILITIES (continued)

Series 2011-12B Note

\$7,050,000 general obligation promissory note payable issued February 1, 2012 with interest at 2.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2021. Proceeds used to acquire and improve sites; adding to, upgrading, remodeling, and improving existing buildings, and acquiring furnishings, fixtures and equipment.

<u>Buyer</u>	<u>2018</u>	<u>2017</u>
Piper Jaffray	\$ 1,500,000	\$ 2,000,000

Series 2011-12C Note

\$7,000,000 general obligation promissory note payable issued June 28, 2012 with interest at 1.50 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2019. Proceeds used to acquire moveable equipment.

Robert W. Baird & Co.	90,000	640,000
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Series 2012-13A Note

\$10,500,000 general obligation promissory note payable issued August 29, 2012 with interest at 1.50 to 2.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2021. Proceeds used to improve sites and acquire moveable equipment.

Hutchinson, Shockey, Erley, & Co.	1,000,000	2,240,000
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Series 2012-13B Note

\$10,500,000 general obligation promissory note payable issued February 1, 2013 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2022. Proceeds used to remodel buildings and improvements and acquire moveable equipment.

Janney Capital Markets	2,790,000	4,040,000
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Series 2012-13A Bond

\$13,000,000 general obligation school improvement bonds issued June 27, 2013 with interest at 2.00 to 4.25% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2033. Proceeds used to acquire and improve sites; constructing new buildings and facilities; adding to, upgrading, remodeling, and improving existing buildings, and acquiring furnishings, fixtures and equipment.

Piper Jaffray	11,495,000	11,740,000
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Series 2013-14A Note

\$9,215,000 general obligation promissory note payable issued September 4, 2013 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2023. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

BMO Capital Markets	1,500,000	3,135,000
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**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE D - LONG TERM LIABILITIES (continued)

	<u>Buyer</u>	<u>2018</u>	<u>2017</u>
<p>Series 2013-14B Note \$9,285,000 general obligation promissory note payable issued January 29, 2014 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2023. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.</p>	Piper Jaffray	\$ 2,735,000	\$ 3,935,000
<p>Series 2013-14C Note \$2,500,000 general obligation promissory note payable issued June 30, 2014 with interest at 1.00 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2024. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment and site improvements.</p>	Hutchinson, Shockey, Erley, & Co.	1,535,000	1,770,000
<p>Series 2014-15A Note \$8,000,000 general obligation promissory note payable issued August 26, 2014 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2024. Proceeds used to acquire moveable equipment.</p>	Janney Montgomery Scott LLC	4,030,000	4,635,000
<p>Series 2014-15B Note \$8,500,000 general obligation promissory note payable issued January 29, 2015 with interest at 1.50 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2024. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.</p>	Janney Montgomery Scott LLC	6,750,000	7,790,000
<p>Series 2014-15A Bond \$10,070,000 general obligation school improvement bonds issued June 30, 2015 with interest at 3.00 to 4.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2033. Proceeds used to acquire and improve sites; constructing new buildings and facilities; adding to, upgrading, remodeling, and improving existing buildings, and acquiring furnishings, fixtures and equipment.</p>	Piper Jaffray	9,105,000	9,570,000
<p>Series 2015-16A Note \$4,150,000 general obligation promissory note payable issued September 1, 2015 with interest at 2.00 to 4.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2018. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.</p>	Hutchinson, Shockey, Erley, & Co.	-	1,000,000

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE D - LONG TERM LIABILITIES (continued)

Series 2015-16B Note

\$4,150,000 general obligation promissory note payable issued October 28, 2015 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2020. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

<u>Buyer</u>	<u>2018</u>	<u>2017</u>
Fidelity Capital Markets	\$ 2,090,000	\$ 3,100,000

Series 2015-16C Note

\$4,150,000 general obligation promissory note payable issued January 26, 2016 with interest at 2.00 to 4.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2020. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

FTN Financial Capital Markets	3,150,000	4,150,000
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Series 2015-16D Note

\$4,150,000 general obligation promissory note payable issued February 25, 2016 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2021. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

Fidelity Capital Markets	4,150,000	4,150,000
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Series 2015-16E Note

\$4,100,000 general obligation promissory note payable issued April 27, 2016 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2024. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

Fidelity Capital Markets	4,100,000	4,100,000
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Series 2015-16F Note

\$4,100,000 general obligation promissory note payable issued June 22, 2016 with interest at 2.00 to 2.50% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2025. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

Piper Jaffray	4,100,000	4,100,000
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Series 2016-17A Note

\$4,235,000 general obligation promissory note payable issued August 2, 2016 with interest at 4.00 to 5.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2018. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

Fidelity Capital Markets	-	1,000,000
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**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE D - LONG TERM LIABILITIES (continued)

Series 2016-17B Note

\$4,235,000 general obligation promissory note payable issued September 29, 2016 with interest at 4.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2018. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

<u>Buyer</u>	<u>2018</u>	<u>2017</u>
Hutchinson, Shockey, Erley, & Co.	\$ -	\$ 1,000,000

Series 2016-17C Note

\$4,235,000 general obligation promissory note payable issued November 22, 2016 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2022. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

Fidelity Capital Markets	4,235,000	4,235,000
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Series 2016-17D Note

\$4,235,000 general obligation promissory note payable issued February 21, 2017 with interest at 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2022. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

Piper Jaffray	4,235,000	4,235,000
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Series 2016-17E Note

\$4,235,000 general obligation promissory note payable issued April 25, 2017 with interest at 2.00 to 4.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2026. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

Hutchinson, Shockey, Erley, & Co.	4,235,000	4,235,000
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Series 2016-17F Note

\$4,225,000 general obligation promissory note payable issued June 27, 2017 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2026. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

FTN Financial Capital Markets	4,225,000	4,225,000
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**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE D - LONG TERM LIABILITIES (continued)

Series 2017-18A Note

\$8,290,000 general obligation promissory note payable issued August 24, 2017 with interest at 4.00 to 5.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2020. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment and site improvements.

<u>Buyer</u>	<u>2018</u>	<u>2017</u>
Robert W. Baird & Co.	\$ 2,000,000	\$ -

Series 2017-18B Note

\$8,450,000 general obligation promissory note payable issued November 21, 2017 with interest at 2.00 to 4.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2024. Proceeds used to acquire moveable equipment and site improvements.

Robert W. Baird & Co.	8,450,000	-
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Series 2017 Bonds

\$53,120,000 general obligation refunding bonds payable issued December 21, 2017 with interest at 2.75 to 5.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2031. Proceeds used to refund portion of previously issued Series 2010-11B Bonds and Series 2011-12A Bonds.

Bank of America Merrill Lynch	52,140,000	-
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Series 2017-18C Note

\$8,260,000 general obligation promissory note payable issued May 23, 2018 with interest at 3.00 to 4.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2027. Proceeds used to acquire moveable equipment and acquisition of site and construction of new building.

Robert W. Baird & Co.	<u>8,260,000</u>	<u>-</u>
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Total General Obligation Debt

<u>\$ 166,755,000</u>	<u>\$ 171,125,000</u>
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**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE D - LONG TERM LIABILITIES (continued)

Principal and interest maturities on notes, bonds, and capital lease payable:

Years Ending June 30	Notes/Bonds			Capital Lease		
	Principal	Interest	Subtotal	Principal	Interest	Subtotal
2019	\$ 20,905,000	\$ 5,401,715	\$ 26,306,715	\$ 4,059	\$ 42,311	\$ 46,370
2020	19,160,000	4,830,531	23,990,531	3,831	43,002	46,833
2021	16,985,000	4,247,431	21,232,431	3,617	43,685	47,302
2022	14,805,000	3,760,131	18,565,131	3,414	44,361	47,775
2023	14,630,000	3,232,431	17,862,431	3,222	45,031	48,253
2024-2028 (5 year total)	53,285,000	9,757,756	63,042,756	13,596	235,002	248,598
Thereafter	<u>26,985,000</u>	<u>2,168,981</u>	<u>29,153,981</u>	<u>8,378</u>	<u>199,600</u>	<u>207,978</u>
	<u>\$ 166,755,000</u>	<u>\$ 33,398,977</u>	<u>\$ 200,153,977</u>	<u>\$ 40,117</u>	<u>\$ 652,992</u>	<u>\$ 693,109</u>

Years Ending June 30	Total		
	Principal	Interest	Subtotal
2019	\$ 20,909,059	\$ 5,444,026	\$ 26,353,085
2020	19,163,831	4,873,533	24,037,364
2021	16,988,617	4,291,117	21,279,733
2022	14,808,414	3,804,492	18,612,906
2023	14,633,222	3,277,462	17,910,684
2024-2028 (5 year total)	53,298,596	9,992,759	63,291,354
Thereafter	<u>26,993,378</u>	<u>2,368,581</u>	<u>29,361,959</u>
	<u>\$ 166,795,117</u>	<u>\$ 34,051,969</u>	<u>\$ 200,847,086</u>

The Wisconsin State Statutes Chapter 67.03(1) provides that the aggregate amount of indebtedness of a District shall not exceed 5% of the value of the taxable property located in the District. The 5% limit for 2017-2018 was \$4,185,102,362; the aggregate indebtedness of the District for the same period was \$166,755,000. The 5% limit for 2016-2017 was \$3,930,618,713; the aggregate indebtedness of the District for the same period was \$171,125,000. Debt service funds of \$3,057,209 available on June 30, 2018 result in a margin of \$4,021,404,571. Debt service funds of \$2,283,377 available on June 30, 2017 result in a margin of \$3,761,777,090.

The maximum bonded indebtedness of the District for purchasing and constructing buildings and equipment may not exceed 2% of the value of the taxable property within the District. The 2% limit for 2017-2018 was \$1,674,040,945; the 2% limit for 2016-2017 was \$1,572,247,485. The District had bonded indebtedness of \$166,755,000 and \$171,125,000 for the years ending June 30, 2018 and June 30, 2017, respectively. Debt service funds of \$3,057,209 available on June 30, 2018 result in a margin of \$1,510,343,154. Debt service funds of \$2,283,377 available on June 30, 2017 result in a margin of \$1,403,405,862.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE D - LONG TERM LIABILITIES (continued)

Advanced Refunding

On December 21, 2017, General Obligation Bonds, totaling \$53,120,000 were issued with interest rates between 3.0-4.0% (the "Bonds"). Proceeds from the Bonds were used to partially refund the GO Bonds Series 2010-11B, and GO Bonds Series 2011-12A. This refunding resulted in an economic gain and a cash flow decrease. The economic gain realized using a 2.48% effective interest rate (the difference between the present values of the debt service payments on the old debt and the new debt) in this refunding was \$4,721,806. The decrease in cash flow from the refunding is as follows:

Cash flow requirements to services old debt	\$ 75,679,150
Less cash flow requirements for new debt	<u>(69,966,319)</u>
Decrease in cash flows from refunding	<u><u>5,712,831</u></u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE E - PENSION

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 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

Benefits provided - Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their final average earnings and creditable services.

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

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

The District may elect to make a one-time actuarial reduction contribution to WRS on behalf of an employee retiring at age 57 or after, which would allow the District employee to receive a retirement benefit that has not been actuarially reduced. Total actuarial reduction contributions paid for the years ended June 30, 2018 and 2017 were \$61,375 and \$110,901, respectively.

The WRS also provides death and disability benefits for employees.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE E - PENSION (continued)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5.0)
2017	2.0	4.0

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives 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 \$6,618,437 in contributions from the employer. All District employees covered by the WRS fall under the General category.

Contribution rates as of June 30, 2017 are:

Employee Category	Employee	Employer
General (including teachers)	6.8%	6.8%

Contribution rates as of June 30, 2018 are:

Employee Category	Employee	Employer
General (including teachers)	6.7%	6.7%

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE E - PENSION (continued)

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

At June 30, 2018, the District reported a liability (asset) of (\$19,199,954) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the District's proportion was 0.6467%, which was a decrease of 0.0004% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$8,523,967.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$24,394,021	\$11,410,714
Net differences between projected and actual earnings on pension plan investments	0	26,388,551
Changes in assumptions	3,793,536	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	583,932	38,889
Employer contributions subsequent to the measurement date	3,255,087	0
Total	\$32,026,576	\$37,838,154

The \$3,255,087 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Net Outflows/Inflows of Resources
2018	\$2,272,904
2019	44,120
2020	(6,465,311)
2021	(4,964,231)
Thereafter	46,483

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE E - PENSION (continued)

Actuarial assumptions. The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%*

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

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012-2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE E - PENSION (continued)

Asset Allocation Targets and Expected Returns			
As of December 31, 2017			
<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	50	8.2	5.3
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%			
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			

Single Discount rate - A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate - The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE E - PENSION (continued)

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
District's proportionate share of the net pension liability (asset)	\$49,676,836	(\$19,199,954)	(\$71,548,446)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at the Department of Employee Trust Fund's website: <http://etf.wi.gov/publications/cafr.htm>.

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Health Insurance)

Plan description. The District's group health insurance plan provides coverage to active employees and retirees at blended premium rates. This results in another postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy. The plan, Madison College Retiree Medical Plan, is a single-employer defined benefit OPEB plan administered by the District and does not issue a stand-alone financial report. The State of Wisconsin Administrative Code grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. Participants are eligible for full benefits upon retirement at age 57 with at least 30 years of full-time service ("57 and 30") or at age 60 with at least 20 years of full-time service ("60 and 20"). Participants who retire at age 55 with at least five years of full-time service are eligible to remain in the college's health insurance plan by paying 100% of the premium.

The District contributes 100% of a single retiree premium until age 65 or Medicare eligible, whichever is sooner. The District's funding policy is to provide annual contributions on a pay-as-you-go basis.

Employees covered by benefit terms. At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	119
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>1,009</u>
Total	<u>1,128</u>

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB. The valuation date is June 30, 2017. The measurement date is June 30, 2018. The measurement is the date as of which the total OPEB liability is determined.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Health Insurance) (continued)

The total OPEB liability of \$10,560,026 was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions and was then projected forward to the measurement date.

For the year ended June 30, 2018, the District recognized OPEB expense of \$1,224,112.

OPEB Health Insurance Prior Period Adjustment. A prior period adjustment was entered to record the changes in reporting for GASB Statement No 74 and 75. \$10,528,382 of the prior period adjustment is due to the health insurance portion of other postemployment benefits.

At June 30, 2018, the District reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

Deferred Inflows / Outflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	0	0
Changes of assumptions	0	(306,532)
Contributions made subsequent to measurement date	0	0
Total	0	(306,532)

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ending June 30:	Net Deferred Outflows/Inflows of Resources
2019	\$ (72,466)
2020	(72,466)
2021	(72,466)
2022	(72,466)
2023	(16,668)
Thereafter*	0

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Health Insurance) (continued)

Actuarial assumptions and other inputs. The total OPEB liability in June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2017
Measurement date	June 30, 2017
Discount rate	3.58%
Healthcare cost trend	4.00% - 6.50%
Salary increases including inflation	WRS: see actuarial assumptions for details
Mortality	WRS: see actuarial assumptions for details
Actuarial cost method	Entry Age Normal

The discount assumption is based on the current yield for a 20-year, tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher.

Mortality rates were based on the following criteria:

Pre-retirement: This assumption applies to death while in service. Rates are based on the Wisconsin 2012 Mortality table (multiplied by 50% for males and females) as the base table and project future improvements with MP-2015 generational improvement scale (multiplied by 50%), as adopted by the Board in connection with the 2012-2014 Experience Study performed by the actuary for the Wisconsin Retirement System.

Post-retirement: This assumption applies to death of participants after retirement. Rates are based on the Wisconsin 2012 Mortality Table as the base table and project future improvements with MP-2015 generational improvement scale (multiplied by 50%), as adopted by the Board in connection with the 2012-2014 Experience Study performed by the actuary for the Wisconsin Retirement System.

Post-Disability: This assumption applies to death after disablement. Rates are based on the 2012-2014 Experience Study performed by the actuary for the Wisconsin Retirement System (multiplied by the 50% for males and females and set forward one year for males).

The actuarial assumptions used in the Month Day, Year evaluation were based on the results of an actuarial experience study for the period 2012-2014 for the Wisconsin Retirement System (WRS).

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Health Insurance) (continued)

Changes in Total OPEB Liability

	Increase (Decrease) Total OPEB Liability
Changes in Total OPEB Liability	FY 2018
Beginning of Year Balances	\$ 12,090,670
Changes for the year:	
Service cost	452,247
Interest on total OPEB liability	330,107
Effect of plan changes	0
Effect of economic/demographic gains or losses	0
Effect of assumptions changes or inputs	(378,998)
Benefit payments	(1,934,000)
End of Year Balances	\$ 10,560,026

Changes of assumptions and other inputs reflect a change in the:

Sensitivity of the total OPEB liability to changes in discount rate. The following presents the total OPEB liability of Madison College, calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate.

	2017-2018		
1% Decrease	Discount Rate	1% Increase	
2.58%	3.58%	4.58%	
Total OPEB Liability	\$ 11,079,322	\$ 10,560,026	\$ 10,047,033

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The following presents the total OPEB liability of Madison College, calculated using the current healthcare cost trend rates that is 1 percentage point lower or 1 percentage point higher than the current trend rate.

	2017-2018		
1% Decrease	Trend Rate	1% Increase	
Total OPEB Liability	\$ 9,737,394	\$ 10,560,026	\$ 11,522,225

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Health Insurance) (continued)

Comparative information. The Governmental Accounting Standards Board (GASB) released new accounting standards for public postemployment benefit plans and other pension (OPEB) and participating employers in 2015. These standards, GASB Statements No. 74 and 75, have substantially revised the accounting requirements previously mandated under GASB Statements No. 43 and 45. Due to the implementation of GASB 74, Fiscal Year 2018 will be noted separately from Fiscal Year 2017.

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The following presentation is based on GASB Statement No. 45 for Fiscal Year 2017. Due to the implementation of GASB Statement No. 74, the Annual Required Contribution (ARC) has been eliminated and the Net OPEB Liability will be presented on the District's financial statement rather than a footnote entry. This is informational data for the prior fiscal year.

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Retiree Health Plan for the years ended June 30, were as follows:

	<u>2017</u>
Annual required contribution	\$ 1,360,740
Interest on net OPEB obligation	65,343
Adjustment to annual required contribution	<u>(107,888)</u>
Annual OPEB cost (expense)	1,318,195
Contributions made	<u>(1,934,000)</u>
Increase in net OPEB obligation	(615,805)
Net OPEB Obligation - Beginning of Year	<u>2,178,093</u>
Net OPEB Obligation - End of Year	<u><u>\$ 1,562,288</u></u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Health Insurance) (continued)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows as of June 30, 2017:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2017	\$ 1,318,195	146.72%	\$ 1,562,288
June 30, 2016	1,288,814	147.58%	2,178,093
June 30, 2015	1,562,438	95.65%	2,791,279

The funded status of the plan as of July 1, 2015, the most recent actuarial valuation date used for the Fiscal Year 2017 financial statements, was as follows:

Actuarial accrued liability (AAL)	\$ 15,384,752
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 15,384,752</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members) - Fiscal Year 2016-2017	\$ 92,987,378
UAAL as a percentage of covered payroll	16.54%

NOTE F(1) - OTHER POSTEMPLOYMENT BENEFITS (Life Insurance)

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

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

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

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE F(1) - OTHER POSTEMPLOYMENT BENEFITS (Life Insurance) (continued)

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

Contribution rates as of June 30, 2017 are:

Coverage Type	Employer contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2017 are listed below:

Life Insurance	
Employee Contribution Rates	
For the year ended December 31, 2017	
Attained Age	Basic
Under 30	\$ 0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$85,165 in contributions from the employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEBs. At June 30, 2018, the District reported a liability (asset) of \$13,492,486 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, the District's proportion was 4.4847%, which was an increase of .1313% from its proportion measured as of December 31, 2016.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE F(1) - OTHER POSTEMPLOYMENT BENEFITS (Life Insurance) (continued)

For the year ended June 30, 2017, the District recognized OPEB expense of \$1,470,088.

OPEB Life Insurance Prior Period Adjustment. A prior period adjustment was entered to record the changes in reporting for GASB Statement No. 74 and 75. \$10,441,231 of the prior period adjustment is due to the life insurance portion of other postemployment benefits.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ (190,106)
Net differences between projected and actual earnings on OPEB plan investments	155,361	0
Changes in Assumptions	1,303,808	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	276,478	0
Employer contributions subsequent to the measurement date	130,555	
Total	\$ 1,866,202	\$ (190,106)

\$130,555 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	Net Deferred Outflows/Inflows of Resources
2019	\$ 251,731
2020	251,731
2021	251,731
2022	251,731
2023	212,891
Thereafter*	325,726

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE F(1) - OTHER POSTEMPLOYMENT BENEFITS (Life Insurance) (continued)

Actuarial Assumptions. The total OPEB liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation date	January 1, 2017
Measurement Date of Net OPEB Liability (Asset)	December 31, 2017
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	3.44%
Long-Term Expected Rate of Return	5.00%
Discount rate	3.63%
Salary increases:	
Inflation	3.20%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Government bonds	Barclays Government	1%	1.13%
US Credit Bonds	Barclays Credit	65%	2.61%
US Long Credit Bonds	Barclays Long Credit	3%	3.08%
US Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE F(1) - OTHER POSTEMPLOYMENT BENEFITS (Life Insurance) (continued)

Single Discount Rate. A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments to the extent that the plan's fiduciary net position is projected to be insufficient.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.63 percent, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	1% Decrease to Discount Rate (2.63%)	Current Discount Rate (3.63%)	1% Increase to Discount Rate (4.63%)
District's proportionate share of the net OPEB liability (asset)	\$19,070,010	\$13,492,486	\$9,212,321

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>

NOTE G - COMMITMENTS

Operating Leases

The District has a number of lease agreements for the rental of classroom, office, and lab space with varying expiration dates. The future minimum lease payments for these leases are:

<u>Operating Leases</u>	
Year Ending June 30	
2019	\$ 1,270,306
2020	976,232
2021	999,257
2022	829,844
2023	44,647
Thereafter	527,186

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE G - COMMITMENTS (continued)

The District's other operating leases are primarily month-to-month and year-to-year for instructional facilities and equipment. Rent expenses under all operating leases for the years ended June 30, 2018 and 2017 were \$1,259,530 and \$1,091,328, respectively.

Capital Leases

Effective in 1983, the District entered into a 99-year agreement with Dane County to lease land for the Truax Campus. Beginning April 1, 2033 and continuing thereafter, the District has the option to purchase the leased land. The purchase price is equal to the original base value increased by a rate of 1% for every year that passed since 1983. This lease has been accounted for as a capital lease; as such, the leased land has been capitalized at the original base value of \$570,000.

Future minimum lease payments required under the capital lease by year and the net present value of the minimum lease payments under this lease as of June 30, 2018 are as follows:

<u>Capital Leases</u>	
Year Ending June 30	
2019	\$ 46,370
2020	46,833
2021	47,302
2022	47,775
2023	48,253
Thereafter	<u>456,575</u>
Total required minimum lease payments	<u>693,108</u>
Less amount representing interest	<u>(652,992)</u>
Net Present Value of minimum lease payments	<u>\$ 40,116</u>

NOTE H - RISK MANAGEMENT

Districts Mutual Insurance Company (DMI)

In July 2004, all sixteen WTCS technical colleges created Districts Mutual Insurance Company (DMI). Districts Mutual Insurance Company is a fully-assessable mutual company authorized under Wisconsin Statute 611 to provide worker compensation, property, casualty, equipment breakdown, cyber risk, active threat, sabotage and terrorism, and campus violent acts coverage, as well as liability and risk management services to its members. The scope of insurance protection provided by DMI is broad, covering property at \$500,225,000 per occurrence; general liability, auto, and educators' legal liability at \$5,000,000 per occurrence; and workers' compensation at the Wisconsin 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.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE H - RISK MANAGEMENT (continued)

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 year ended June 30, 2018 and 2017, the District paid DMI insurance premiums of \$905,626 and \$826,615 respectively. The District anticipates a reduction in premiums for Fiscal Year 2019. The worker compensation premiums are unaudited at this time.

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

Supplemental Insurance

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

The WTCS Insurance Trust has purchased the following levels of coverage from Arthur J. Gallagher for its participating members:

Crime: \$750,000 coverage for employee dishonesty, forgery, computer fraud and funds transfer fraud; \$750,000 coverage for theft, robbery, burglary, disappearance and destruction of money and securities; \$25,000 coverage for investigation expenses; \$5,000 deductible for investigation, \$15,000 deductible for employee dishonesty, forgery and fraud.

Foreign liability: \$5,000,000 aggregate general; \$1,000,000 auto per accident; \$1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses; \$1,000 deductible for employee benefits.

Business Travel Accident: Commercial; \$1,000,000 per occurrence; \$5,000,000 aggregate; \$2,000,000 aggregate (products-completed operations); \$1,000,000 (personal and advertising injury); \$1,000,000 (damage to premises – rented); \$25,000 medical expenses. Employee; \$1,000,000 per claim; \$1,000,000 aggregate. Auto Liability; \$1,000,000 per accident. \$1,000 deductible.

In addition to employee health insurance, the District also purchases the following additional insurance:

Athletics: Basic sports coverage; \$25,000 maximum medical benefits per injury; \$0 deductible. Catastrophic sports coverage; \$5 million maximum per incident; \$25,000 deductible. Basic coverage is secondary to the student's personal insurance coverage.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE H - RISK MANAGEMENT (continued)

Underground Storage Tanks: The underground storage tank policy does not renew until November 2018. This summer the College is undertaking a project to remove two 15,000-gallon tanks and replace them with one 5,000-gallon tank. The premium is expected to drop by at least half due to the size, number, and age of the tank being significantly less. Currently, there is a \$2,000,000 per tank incident (claims and remediation); \$4,000,000 aggregate per tank incident (claims and remediation); \$2,000,000 aggregate per tank incident (all legal defense expenses); \$6,000,000 total policy aggregate for all incidents; \$25,000 deductible.

Surety Bonds – Motorcycle Program: \$30,000 surety bond as required by the Wisconsin Department of Transportation for motorcycle training programs.

NOTE I - SELF-INSURANCE

The District is exposed to various risks of loss related to property and casualty claims. Under the program, the self-insurance fund provides coverage for property and casualty claims which are either in excess of policy coverage limits or less than or equal to deductible amounts on certain policies. The District purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss.

Settled dental claims have not exceeded commercial insurance coverage, and there have been no reductions in insurance coverage in the past three years.

The claims liability is reported as accounts payable and is based on the requirement that a liability for claims be reported, if information prior to the issuance of the financial statements indicates that it is probable a liability has been incurred at the financial statement date and the amount of the loss can be reasonably estimated.

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

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Plus: Claims</u>	<u>Less: Payments</u>	<u>Ending Balance</u>
2018	\$ 77,400	\$ 1,509,763	\$ 1,508,463	\$ 78,700
2017	\$ 70,000	\$ 1,523,531	\$ 1,516,131	\$ 77,400

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE J - CONTINGENCIES

The District receives regular program aids from the Wisconsin Technical College System Board based on aidable expenditures. This amount is subject to adjustment based on a state audit of the full-time equivalent students and cost allocation reports of the District and other districts of the state. The state audit for the year ended June 30, 2018 has not been completed. It is the belief of management of the District that audit adjustments, if any, will not materially affect the District's financial position.

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The District is currently involved in two personnel grievances with former employees. There is a difference of opinion and both are in process of dispositive motions. Management is comfortable that its position in these matters is well-supported and expects to defend the matter vigorously, however, the outcome of the matter cannot be predicted.

The District is involved in numerous other lawsuits, many of which normally occur in governmental operations. No provision has been made for any liability as a result of these proceedings due to the fact that such liability is not readily estimable and not expected by management to materially affect the District's financial position.

NOTE K - EXPENSES CLASSIFICATION

Expenses on the Statements of Revenues, Expenses and Changes in Net Position are classified by function. Alternatively, the expenses could also be shown by type of expense, as follows for the year ended June 30:

	<u>2018</u>	<u>2017</u>
Salaries and wages	\$ 98,998,514	\$ 96,167,832
Fringe benefits	36,685,643	42,576,921
Travel, memberships and subscriptions	3,062,337	2,552,344
Supplies	12,586,643	8,054,063
Postage	204,326	225,475
Contract services	24,919,671	20,984,425
Rentals	1,371,993	1,218,350
Credit/Collection Expenses	907,678	925,926
Insurance	944,817	947,019
Utilities	2,899,044	3,076,554
Depreciation	20,735,136	20,028,875
Student aid	<u>7,843,056</u>	<u>7,969,059</u>
Total Operating Expenses	<u>\$ 211,158,858</u>	<u>\$ 204,726,844</u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE L - RESTATEMENT OF NET POSITION

Net Position has been restated as a result of the implementation of the Government Accounting Standard Board (GASB) Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, which required the District to record the total postemployment benefit liability less any related trust assets of the District’s other postemployment benefit (OPEB) plan, and record related deferred outflows and deferred inflows of resources and expenses as of the plan’s actuarial valuation. The details of this restatement are as follows:

Net Position - June 30, 2017 (as reported)	\$ 157,632,273
Less: Net OPEB liability per GASB Statement No. 75	(20,969,613)
Net Position - July 1, 2017 (as restated)	\$ 136,662,660

\$10,528,382 is due to the OPEB Health Insurance Liability
 \$10,441,231 is due to the OPEB Life Insurance Liability

NOTE M - LEASES ON DISTRICT OWNED/LEASED SPACE

The District has leases with companies to operate businesses on District owned space. As of June 30, 2018, the District leases space to seven unique tenants. The total anticipated lease payments to be made to the College are \$424,486 for fiscal year 2018-19. Expenditures for the leased spaces are anticipated to exceed the revenue received.

NOTE N - SUBSEQUENT EVENTS

Budget Revisions

The District Board authorized various expenditure budget revisions. The purpose of these revisions was to appropriately eliminate all material negative budget variances. These revisions were accomplished by reallocating among various budget classifications without affecting the total budgeted expenditures.

Debt Issuance

On July 9, 2018, the District issued General Obligation Promissory Notes, Series 2018-19A, totaling \$5,600,000 with interest rates at 4.0% payable on March 1 and September 1 annually. Principal payments of varying amounts are due on March 1 of each year until maturity on March 1, 2021. Proceeds will be used for paying the cost of the acquisition of moveable equipment and building remodeling and improvement projects. The Notes are not subject to redemption prior to maturity.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE N - SUBSEQUENT EVENTS (continued)

On September 5, 2018, the District issued General Obligation Promissory Notes, Series 2018-19B, totaling \$5,600,000 with interest rates at 4.0% payable on March 1 and September 1 annually. Principal payments of varying amounts are due on March 1 of each year until maturity on March 1, 2021. Proceeds will be used for paying the cost of the acquisition of moveable equipment and building remodeling and improvement projects. The Notes are not subject to redemption prior to maturity.

On November 7, 2018, the District issued General Obligation Promissory Notes, Series 2018-19C, totaling \$5,600,000 with interest rates varying between 3.0% and 5.0% payable on March 1 and September 1 annually. Principal payments of varying amounts are due on March 1 of each year until maturity on March 1, 2021. Proceeds will be used for paying the cost of the acquisition of moveable equipment and building remodeling and improvement projects. The Notes are not subject to redemption prior to maturity.

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**MADISON AREA TECHNICAL COLLEGE DISTRICT
OTHER POSTEMPLOYMENT AND PENSION
BENEFITS PLAN
(UNAUDITED)
Year Ended June 30, 2018**

**SCHEDULE OF DISTRICT'S PROPORTIONALTE SHARE OF THE NET PENSION LIABILITY (ASSET)
Wisconsin Retirement System
Last 10 Fiscal Years***

	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.6467%	0.6471%	0.6633%	0.6846%
District's proportionate share of the net pension liability (asset)	(19,199,954)	5,333,502	10,778,119	(16,814,521)
District's covered-employee payroll	97,331,263	92,244,957	90,934,540	91,871,959
District's proportionate share of the net pension liability/asset as a percentage of its covered payroll	-19.7%	5.8%	11.9%	18.3%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.9%	99.1%	98.2%	102.7%

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
Wisconsin Retirement System
Last 10 Fiscal Years***

	2018	2017	2016	2015
Contractually required contributions	6,618,437	6,141,285	6,187,208	6,436,255
Contributions in relation to the contractually required contributions	6,618,437	6,141,285	6,187,208	6,436,255
Contribution deficiency (excess)	0	0	0	0
District's covered-employee payroll	97,331,263	92,987,378	90,934,540	91,871,959
Contributions as a percentage of covered-employee payroll	6.80%	6.60%	6.80%	7.01%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The schedules above are intended to show information for ten years and additional years' information will be displayed as it becomes available.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
OTHER POSTEMPLOYMENT AND PENSION
BENEFITS PLAN
(UNAUDITED)
Year Ended June 30, 2018**

**MADISON AREA TECHNICAL COLLEGE DISTRICT
Schedule of Changes in the District's
Total OPEB Health Insurance Liability and Related Ratios
Last 10 Fiscal Years*
June 30, 2018**

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 452,247
Interest on total OPEB liability	330,107
Changes in benefit terms	-
Effect of economic/demographic gains (losses)	-
Effect of assumption changes or inputs	(378,998)
Benefit payments	<u>(1,934,000)</u>
Net change in total OPEB liability	<u>(1,530,644)</u>
Total OPEB liability, beginning	<u>12,090,670</u>
Total OPEB liability, ending	<u><u>\$ 10,560,026</u></u>
Covered payroll	<u><u>\$ 97,331,263</u></u>
Total OPEB as a % of covered payroll	<u><u>11%</u></u>

*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
OTHER POSTEMPLOYMENT AND PENSION
BENEFITS PLAN
(UNAUDITED)
Year Ended June 30, 2018**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY (ASSET)
Local Retiree Life Insurance Fund
Last 10 Fiscal Years***

	2018
District's proportion of the net OPEB liability (asset)	4.48%
District's proportionate share of the net OPEB liability (asset)	\$ 13,492,486
District's covered-employee payroll	\$ 188,593,160
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	44.81%

**SCHEDULE OF DISTRICTS CONTRIBUTIONS
Local Retiree Life Insurance Fund
Last 10 Fiscal Years***

	2018
Contractually required contributions	\$ 85,165
Contributions in relation to the contractually required contributions	\$ 85,165
Contribution deficiency (excess)	\$ -
District's covered-employee payroll	\$ 188,593,160
Contributions as a percentage of covered-employee payroll	0.05%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The schedules above are intended to show information for ten years and additional years' information will be displayed as it becomes available.

***Notes to Required Supplementary Information
for the Year Ended June 30, 2018:***

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

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

Changes of benefit terms. There were no changes of benefit terms for any participating employer in OPEB health insurance fund.

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

SUPPLEMENTARY INFORMATION

The following supplementary information is provided to document Madison College's compliance with budgetary requirements. This accountability is an essential requirement to maintain the public trust. The method of accounting used for budgetary compliance monitoring is substantially different from the method of preparing the basic financial statements of the District. At the end of this section is reconciliation between the two methods.

MADISON AREA TECHNICAL COLLEGE DISTRICT
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues						
Local government	\$ 38,369,000	\$ 38,813,000	\$ 38,977,662	\$ -	\$ 38,977,662	\$ 164,662
Intergovernmental revenue						
State	72,884,000	72,689,000	72,805,269	-	72,805,269	116,269
Federal	165,000	205,000	251,032	-	251,032	46,032
Tuition and fees						
Statutory program fees	34,940,000	35,232,000	35,254,071	-	35,254,071	22,071
Material fees	1,231,000	1,335,000	1,315,889	-	1,315,889	(19,111)
Other student fees	2,058,000	2,249,000	1,991,709	-	1,991,709	(257,291)
Institutional	<u>1,163,000</u>	<u>1,169,000</u>	<u>1,749,443</u>	<u>-</u>	<u>1,749,443</u>	<u>580,443</u>
Total revenues	<u>150,810,000</u>	<u>151,692,000</u>	<u>152,345,075</u>	<u>-</u>	<u>152,345,075</u>	<u>653,075</u>
Expenditures						
Instruction	104,865,000	103,751,600	103,609,831	-	103,609,831	141,769
Instructional resources	3,784,000	3,705,200	3,363,733	-	3,363,733	341,467
Student services	16,118,000	15,267,500	15,214,917	-	15,214,917	52,583
General institutional	14,658,000	14,761,400	14,755,569	-	14,755,569	5,831
Physical plant	13,044,000	12,724,000	12,496,731	-	12,496,731	227,269
Public service	<u>341,000</u>	<u>392,300</u>	<u>391,806</u>	<u>-</u>	<u>391,806</u>	<u>494</u>
Total expenditures	<u>152,810,000</u>	<u>150,602,000</u>	<u>149,832,587</u>	<u>-</u>	<u>149,832,587</u>	<u>769,413</u>
Excess (deficiency) of revenues over expenditures	<u>(2,000,000)</u>	<u>1,090,000</u>	<u>2,512,488</u>	<u>-</u>	<u>2,512,488</u>	<u>1,422,488</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>(1,090,000)</u>	<u>(2,402,000)</u>	<u>-</u>	<u>(2,402,000)</u>	<u>(1,312,000)</u>
	<u>-</u>	<u>(1,090,000)</u>	<u>(2,402,000)</u>	<u>-</u>	<u>(2,402,000)</u>	<u>(1,312,000)</u>
Net change in fund balance	(2,000,000)	-	110,488	-	110,488	110,488
Fund balance at July 1, 2017	<u>50,934,508</u>	<u>50,874,757</u>	<u>50,901,375</u>	<u>-</u>	<u>50,901,375</u>	<u>26,618</u>
Fund balance at June 30, 2018	<u>\$ 48,934,508</u>	<u>\$ 50,874,757</u>	<u>\$ 51,011,863</u>	<u>\$ -</u>	<u>\$ 51,011,863</u>	<u>\$ 137,106</u>

MADISON AREA TECHNICAL COLLEGE DISTRICT
SPECIAL REVENUE AIDABLE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues						
Local government - tax levy	\$ 1,585,000	\$ 1,579,000	\$ 1,579,787	\$ -	\$ 1,579,787	\$ 787
Intergovernmental revenue						
State	1,615,000	1,744,000	1,709,686	-	1,709,686	(34,314)
Federal	4,069,000	5,081,000	4,113,293	-	4,113,293	(967,707)
Tuition and fees						
Program fees	110,000	112,000	129,183	-	129,183	17,183
Material fees	50,000	50,000	49,596	-	49,596	(404)
Other student fees	1,060,000	1,057,000	969,703	-	969,703	(87,297)
Institutional	<u>2,153,000</u>	<u>2,764,000</u>	<u>2,865,765</u>	<u>-</u>	<u>2,865,765</u>	<u>101,765</u>
Total revenues	<u>10,642,000</u>	<u>12,387,000</u>	<u>11,417,013</u>	<u>-</u>	<u>11,417,013</u>	<u>(969,987)</u>
Expenditures						
Instruction	8,633,000	10,068,000	9,201,962	-	9,201,962	866,038
Instructional resources	72,000	72,000	57,692	-	57,692	14,308
Student services	1,931,000	2,223,000	2,028,977	-	2,028,977	194,023
General institutional	-	18,000	17,187	-	17,187	813
Physical Plant	<u>6,000</u>	<u>7,000</u>	<u>2,816</u>	<u>-</u>	<u>2,816</u>	<u>4,184</u>
Total expenditures	<u>10,642,000</u>	<u>12,388,000</u>	<u>11,308,634</u>	<u>-</u>	<u>11,308,634</u>	<u>1,079,366</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,000)</u>	<u>108,379</u>	<u>-</u>	<u>108,379</u>	<u>109,379</u>
Other financing sources (uses)						
Transfers in	-	50,000	175,000	-	175,000	125,000
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>50,000</u>	<u>175,000</u>	<u>-</u>	<u>175,000</u>	<u>125,000</u>
Net change in fund balance	<u>-</u>	<u>49,000</u>	<u>283,379</u>	<u>-</u>	<u>283,379</u>	<u>234,379</u>
Fund balance at July 1, 2017	<u>751,720</u>	<u>656,720</u>	<u>599,008</u>	<u>-</u>	<u>599,008</u>	<u>(57,712)</u>
Fund balance at June 30, 2018	<u>\$ 751,720</u>	<u>\$ 705,720</u>	<u>\$ 882,387</u>	<u>\$ -</u>	<u>\$ 882,387</u>	<u>\$ 176,667</u>

MADISON AREA TECHNICAL COLLEGE DISTRICT
SPECIAL REVENUE NON-AIDABLE FUND SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues						
Local government - tax levy	\$ 216,000	\$ 114,000	\$ 216,000	\$ -	\$ 216,000	\$ 102,000
Intergovernmental revenue						
State	2,265,000	2,265,000	2,549,330	-	2,549,330	284,330
Federal	44,212,000	44,231,000	39,121,499	-	39,121,499	(5,109,501)
Institutional	<u>956,000</u>	<u>1,051,000</u>	<u>764,888</u>	<u>-</u>	<u>764,888</u>	<u>(286,112)</u>
Total revenues	47,649,000	47,661,000	42,651,717	-	42,651,717	(5,009,283)
Expenditures						
Student services	<u>47,649,000</u>	<u>47,661,000</u>	<u>42,642,387</u>	<u>-</u>	<u>42,642,387</u>	<u>5,018,613</u>
Excess (deficiency) of revenues over expenditures	-	-	9,330	-	9,330	9,330
Other financing sources						
Transfers in	<u>-</u>	<u>-</u>	<u>48,000</u>	<u>-</u>	<u>48,000</u>	<u>48,000</u>
Net change in fund balance	-	-	57,330	-	57,330	57,330
Fund balance at July 1, 2017	<u>350,567</u>	<u>350,567</u>	<u>414,892</u>	<u>-</u>	<u>414,892</u>	<u>(64,325)</u>
Fund balance at June 30, 2018	<u>\$ 350,567</u>	<u>\$ 350,567</u>	<u>\$ 472,222</u>	<u>\$ -</u>	<u>\$ 472,222</u>	<u>\$ (6,995)</u>

MADISON AREA TECHNICAL COLLEGE DISTRICT
CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues						
Local government - tax levy	\$ -	\$ 6,000	\$ 5,213	\$ -	\$ 5,213	\$ (787)
Intergovernmental revenue						
State	301,000	3,200	3,915	-	3,915	715
Federal	252,000	362,000	61,169	-	61,169	(300,831)
Institutional	-	1,553,800	15,617,092	-	15,617,092	14,063,292
	<u>553,000</u>	<u>1,925,000</u>	<u>15,687,389</u>	<u>-</u>	<u>15,687,389</u>	<u>13,762,389</u>
Total revenues						
Expenditures						
Capital outlay						
Instruction	13,886,000	11,545,000	5,283,992	(1,402,322)	3,881,670	7,663,330
Instructional resources	6,443,000	7,041,500	5,485,610	(874,637)	4,610,973	2,430,527
Student services	263,000	422,000	97,039	(26,139)	70,900	351,100
General institutional	8,634,000	3,553,300	1,552,420	(29,698)	1,522,722	2,030,578
Physical plant	12,456,000	15,614,200	17,661,539	(4,387,249)	13,274,290	2,339,910
Auxiliary service	3,506,000	2,765,000	2,878,728	(154,537)	2,724,191	40,809
Public service	18,000	61,000	53,765	5,871	59,636	1,364
	<u>45,206,000</u>	<u>41,002,000</u>	<u>33,013,093</u>	<u>(6,868,711)</u>	<u>26,144,382</u>	<u>14,857,618</u>
Total expenditures						
Excess (deficiency) of revenues over expenditures	<u>(44,653,000)</u>	<u>(39,077,000)</u>	<u>(17,325,704)</u>	<u>6,868,711</u>	<u>(10,456,993)</u>	<u>(1,095,229)</u>
Other financing sources						
Debt issued	25,000,000	25,000,000	25,000,000	-	25,000,000	-
Premiums on debt issued	-	-	215,462	-	215,462	215,462
Transfers in	-	290,000	1,300,000	-	1,300,000	1,010,000
Transfers out	-	-	-	-	-	-
	<u>25,000,000</u>	<u>25,290,000</u>	<u>26,515,462</u>	<u>-</u>	<u>26,515,462</u>	<u>1,225,462</u>
Total other financing sources (uses)						
Net change in fund balance	<u>(19,653,000)</u>	<u>(13,787,000)</u>	<u>9,189,758</u>	<u>6,868,711</u>	<u>16,058,469</u>	<u>29,845,469</u>
Fund balance at July 1, 2017	<u>(22,036,000)</u>	<u>11,733,366</u>	<u>24,817,088</u>	<u>(9,697,953)</u>	<u>15,119,135</u>	<u>3,385,769</u>
Fund balance at June 30, 2018	<u>\$ (41,689,000)</u>	<u>\$ (2,053,634)</u>	<u>\$ 34,006,846</u>	<u>\$ (2,829,242)</u>	<u>\$ 31,177,604</u>	<u>\$ 33,231,238</u>

MADISON AREA TECHNICAL COLLEGE DISTRICT
DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues						
Local government - tax levy	\$ 34,097,000	\$ 34,097,000	\$ 34,097,000	\$ -	\$ 34,097,000	\$ -
Institutional	-	11,000	9,448	-	9,448	(1,552)
Total revenues	34,097,000	34,108,000	34,106,448	-	34,106,448	(1,552)
Expenditures						
Physical plant	34,299,000	34,947,288	34,947,288	-	34,947,288	-
Excess (deficiency) of revenues over expenditures	(202,000)	(839,288)	(840,840)	-	(840,840)	(1,552)
Other financing sources (uses)						
Refunding Debt issued	-	-	53,120,000	-	53,120,000	53,120,000
Payments to Escrow	-	-	(57,693,659)	-	(57,693,659)	(57,693,659)
Premiums on refunding debt issued	-	685,000	6,000,274	-	6,000,274	5,315,274
Total other financing sources (uses)	-	685,000	1,426,615	-	1,426,615	741,615
Net change in fund balance	(202,000)	(154,288)	585,775	-	585,775	740,063
Fund balance at July 1, 2017	2,839,428	3,704,902	4,206,496	-	4,206,496	501,594
Fund balance at June 30, 2018	<u>\$ 2,637,428</u>	<u>\$ 3,550,614</u>	<u>\$ 4,792,271</u>	<u>\$ -</u>	<u>\$ 4,792,271</u>	<u>\$ 740,063</u>

MADISON AREA TECHNICAL COLLEGE DISTRICT
ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Operating revenues						
Local government - tax levy	\$ 115,000	\$ 115,000	\$ 115,000	\$ -	\$ 115,000	\$ -
Intergovernmental revenue						
Federal	3,500	3,500	2,755	-	2,755	(745)
Auxiliary revenue	<u>9,302,500</u>	<u>9,253,500</u>	<u>8,936,361</u>	<u>-</u>	<u>8,936,361</u>	<u>(317,139)</u>
Total revenues	9,421,000	9,372,000	9,054,116	-	9,054,116	(317,884)
Operating expenses						
Auxiliary services	<u>9,787,000</u>	<u>9,792,000</u>	<u>9,532,240</u>	<u>-</u>	<u>9,532,240</u>	<u>259,760</u>
Excess (deficiency) of revenues over expenses	(366,000)	(420,000)	(478,124)	-	(478,124)	(58,124)
Non-operating revenues (expenses)						
Transfers in	-	750,000	764,000	-	764,000	14,000
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>750,000</u>	<u>764,000</u>	<u>-</u>	<u>764,000</u>	<u>14,000</u>
Net change in net position	(366,000)	330,000	285,876	-	285,876	(44,124)
Fund balance at July 1, 2017	<u>1,350,760</u>	<u>1,480,459</u>	<u>7,304,663</u>	<u>-</u>	<u>7,304,663</u>	<u>5,824,204</u>
Fund balance at June 30, 2018	<u>\$ 984,760</u>	<u>\$ 1,810,459</u>	<u>\$ 7,590,539</u>	<u>\$ -</u>	<u>\$ 7,590,539</u>	<u>\$ (44,124)</u>

MADISON AREA TECHNICAL COLLEGE DISTRICT
INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Operating revenues						
Institutional	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Auxiliary revenue	<u>17,453,000</u>	<u>17,453,000</u>	<u>15,966,990</u>	<u>-</u>	<u>15,966,990</u>	<u>(1,486,010)</u>
Total revenues	17,453,000	17,453,000	15,966,990	-	15,966,990	(1,486,010)
Operating expenses						
Auxiliary services	<u>17,494,000</u>	<u>17,494,000</u>	<u>15,605,906</u>	<u>-</u>	<u>15,605,906</u>	<u>1,888,094</u>
Excess (deficiency) of revenues over expenses	(41,000)	(41,000)	361,084	-	361,084	402,084
Non-operating revenues						
Transfer out/(Other Uses)	<u>-</u>	<u>-</u>	<u>115,000</u>	<u>-</u>	<u>115,000</u>	<u>115,000</u>
Total non-operating revenues	<u>-</u>	<u>-</u>	<u>115,000</u>	<u>-</u>	<u>115,000</u>	<u>115,000</u>
Net change in net position	(41,000)	(41,000)	476,084	-	476,084	517,084
Fund balance at July 1, 2017	<u>3,886,501</u>	<u>3,236,501</u>	<u>3,919,072</u>	<u>-</u>	<u>3,919,072</u>	<u>682,571</u>
Fund balance at June 30, 2018	<u>\$ 3,845,501</u>	<u>\$ 3,195,501</u>	<u>\$ 4,395,156</u>	<u>\$ -</u>	<u>\$ 4,395,156</u>	<u>\$ 517,084</u>

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL
STATEMENTS TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Aidable</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Non-Aidable</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Enterprise</u> <u>Funds</u>	<u>Internal</u> <u>Service</u> <u>Funds</u>	<u>Total</u>	<u>Reconciling</u> <u>Items</u>	<u>Statement</u> <u>of Revenues,</u> <u>Expenses and</u> <u>Changes in</u> <u>Net Position</u>
Revenues										
Local government - tax levy	\$ 38,977,662	\$ 1,579,787	\$ 216,000	\$ 5,213	\$ 34,097,000	\$ 115,000	\$ -	\$ 74,990,662	\$ -	\$ 74,990,662
Intergovernmental revenue										
State	72,805,269	1,709,686	2,549,330	3,915	-	-	-	77,068,200	-	77,068,200
Federal	251,032	4,113,293	39,121,499	61,169	-	2,755	-	43,549,748	(24,034,137)	19,515,611
Tuition and fees										
Program fees	35,254,071	129,183	-	-	-	-	-	35,383,254	(5,455,041)	29,928,213
Material fees	1,315,889	49,596	-	-	-	-	-	1,365,485	(84,219)	1,281,266
Other student fees	1,991,709	969,703	-	-	-	-	-	2,961,412	(776,489)	2,184,923
Institutional	1,749,443	2,865,765	764,888	15,617,092	9,448	-	-	21,006,636	-	21,006,636
Auxiliary revenue	-	-	-	-	-	8,936,361	15,966,990	24,903,351	(15,966,990)	8,936,361
Total revenues	152,345,075	11,417,013	42,651,717	15,687,389	34,106,448	9,054,116	15,966,990	281,228,748	(46,316,876)	234,911,872
Expenditures										
Instruction	103,609,831	9,201,962	-	3,881,670	-	-	-	116,693,463	(7,409,858)	109,283,605
Instructional resources	3,363,733	57,692	-	4,610,973	-	-	-	8,032,398	343,549	8,375,947
Student services	15,214,917	2,028,977	42,642,387	70,900	-	-	-	59,957,181	(44,291,891)	15,665,290
General institutional	14,755,569	17,187	-	1,522,722	-	-	-	16,295,478	(1,285,038)	15,010,440
Physical plant	12,496,731	2,816	-	13,274,290	34,947,288	-	-	60,721,125	(35,722,760)	24,998,365
Public service	391,806	-	-	59,636	-	-	-	451,442	(35,719)	415,723
Auxiliary services	-	-	-	2,724,191	-	9,532,240	15,605,906	27,862,337	(17,305,120)	10,557,217
Depreciation	-	-	-	-	-	-	-	-	20,735,136	20,735,136
Student aid	-	-	-	-	-	-	-	-	9,848,889	9,848,889
Total expenditures	149,832,587	11,308,634	42,642,387	26,144,382	34,947,288	9,532,240	15,605,906	290,013,424	(75,122,812)	214,890,612
Excess (deficiency) of revenues over expenditures	2,512,488	108,379	9,330	(10,456,993)	(840,840)	(478,124)	361,084	(8,784,676)	28,805,936	20,021,260
Other financing sources (uses)										
Transfers in	-	175,000	48,000	1,300,000	-	764,000	-	2,287,000	(2,287,000)	-
Transfers out	(2,402,000)	-	-	-	-	-	115,000	(2,287,000)	2,287,000	-
Gain (loss) on the sale of assets	-	-	-	-	-	-	-	-	(27,035)	(27,035)
Payments to Escrow	-	-	-	-	(57,693,659)	-	-	(57,693,659)	57,693,659	-
Debt issued	-	-	-	25,000,000	-	-	-	25,000,000	(25,000,000)	-
Refunding debt issued	-	-	-	-	53,120,000	-	-	53,120,000	(53,120,000)	-
Premiums on notes issued	-	-	-	215,462	-	-	-	215,462	(215,462)	-
Premiums on refunding bonds issued	-	-	-	-	6,000,274	-	-	6,000,274	(6,000,274)	-
Net change in fund balance	110,488	283,379	57,330	16,058,469	585,775	285,876	476,084	17,857,401	2,136,824	19,994,225
Fund balance/Net position at July 1, 2017 (restated)	50,901,375	599,008	414,892	15,119,135	4,206,496	7,304,663	3,919,072	82,464,641	54,198,019	136,662,660
Fund balance/Net position at June 30, 2018	\$ 51,011,863	\$ 882,387	\$ 472,222	\$ 31,177,604	\$ 4,792,271	\$ 7,590,539	\$ 4,395,156	\$ 100,322,042	\$ 56,334,843	\$ 156,656,885

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL
STATEMENTS TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

	General Fund	Special Revenue Aidable Fund	Special Revenue Non-Aidable Fund	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Internal Service Funds	Total	Reconciling items	Statement of Net Assets
ASSETS										
Current Assets										
Cash and cash equivalents	\$ 35,161,464	\$ (667,603)	\$ 2,356,719	\$ 18,369,015	\$ 3,969,153	\$ 6,227,743	\$ 2,259,062	\$ 67,675,553	\$ (21,655,298)	\$ 46,020,255
Restricted cash and cash equivalents	-	-	-	-	-	-	682,871	682,871	13,452,003	14,134,874
Restricted investments	-	-	-	19,224,677	823,118	-	-	20,047,795	8,203,295	28,251,090
Accounts receivable	628,833	1,901,640	46,024	8,351	-	111,941	523	2,697,312	-	2,697,312
Property taxes receivable	17,807,120	-	-	-	-	-	-	17,807,120	-	17,807,120
Federal and state aid receivable for 2015	195,088	1,487,994	106,850	10,047	-	17,124	-	1,817,103	-	1,817,103
and \$3,850,000 for 2014	18,736,528	-	-	-	-	70,741	-	18,807,269	-	18,807,269
Inventories	37,461	-	-	-	-	563,620	38,036	639,117	-	639,117
Prepaid items	77,750	11,284	-	-	-	-	908,005	997,039	-	997,039
Total current assets	72,644,244	2,733,315	2,509,593	37,612,090	4,792,271	6,991,169	3,888,497	131,171,179	-	131,171,179
Non-current Assets										
Employee advances	-	-	-	-	-	-	-	-	-	-
Net pension asset	-	-	-	-	-	-	-	-	19,199,954	19,199,954
Land	-	-	-	-	-	-	-	-	7,589,891	7,589,891
Construction in progress	-	-	-	-	-	-	-	-	7,334,078	7,334,078
Other capital assets	-	-	-	-	-	3,613,795	10,570,436	14,184,231	414,664,330	428,848,561
Less accumulated depreciation	-	-	-	-	-	(2,609,125)	(9,331,244)	(11,940,369)	(175,282,783)	(187,223,152)
Total non-current assets	-	-	-	-	-	1,004,670	1,239,192	2,243,862	273,505,470	275,749,332
TOTAL ASSETS	72,644,244	2,733,315	2,509,593	37,612,090	4,792,271	7,995,839	5,127,689	133,415,041	273,505,470	406,920,511
DEFERRED OUTFLOWS OF RESOURCES										
Deferred outflows of resources related to pensions	-	-	-	-	-	-	-	-	32,026,576	32,026,576
Deferred outflows of resources related to OPEB	-	-	-	-	-	-	-	-	1,866,202	1,866,202
Loss on refunding of bonds	-	-	-	-	-	-	-	-	4,527,557	4,527,557
RESOURCES	-	-	-	-	-	-	-	-	38,420,335	38,420,335
LIABILITIES										
Current Liabilities										
Accounts payable	1,324,631	1,726,881	-	3,605,241	-	(30,997)	690,482	7,316,238	39,752	7,355,990
Encumbrance payable	-	-	-	-	-	-	-	-	-	-
Accrued payroll	3,105,261	71,597	-	-	-	64,955	42,051	3,283,864	722,453	4,006,317
Accrued interest	-	-	-	-	-	-	-	-	1,735,062	1,735,062
Unearned program and material fees	17,202,489	52,450	-	-	-	371,342	-	17,626,281	(1,124,398)	16,501,883
Due to other organizations	-	-	932,299	-	-	-	-	932,299	-	932,299
Due to student organizations	-	-	1,105,072	-	-	-	-	1,105,072	-	1,105,072
Current portion of compensated absences	-	-	-	-	-	-	-	-	6,675,582	6,675,582
Reserve for Encumbrance	-	-	-	2,829,245	-	-	-	2,829,245	(2,829,245)	-
Current portion of long-term obligations	-	-	-	-	-	-	-	-	20,909,059	20,909,059
Total current liabilities	21,632,381	1,850,928	2,037,371	6,434,486	-	405,300	732,533	33,092,999	26,128,265	59,221,264
Long-term Liabilities										
Accrued compensated absences	-	-	-	-	-	-	-	-	8,108,174	8,108,174
General obligation notes payable	-	-	-	-	-	-	-	-	145,850,000	145,850,000
Capital lease	-	-	-	-	-	-	-	-	36,058	36,058
Net Pension Liability	-	-	-	-	-	-	-	-	-	-
Other long term liabilities	-	-	-	-	-	-	-	-	13,081,161	13,081,161
Other postemployment benefits	-	-	-	-	-	-	-	-	24,052,512	24,052,512
Total long-term liabilities	-	-	-	-	-	-	-	-	191,127,905	191,127,905
TOTAL LIABILITIES	21,632,381	1,850,928	2,037,371	6,434,486	-	405,300	732,533	33,092,999	217,256,170	250,349,169
DEFERRED INFLOWS OF RESOURCES										
Deferred inflows of resources related to pensions	-	-	-	-	-	-	-	-	37,838,154	37,838,154
Deferred inflows of resources related to OPEB	-	-	-	-	-	-	-	-	496,638	496,638
RESOURCES	-	-	-	-	-	-	-	-	38,334,792	38,334,792
NET POSITION										
Net investment in capital assets	-	-	-	31,177,604	-	1,004,670	1,239,192	33,421,466	80,490,308	113,911,774
Restricted for capital acquisition	-	-	-	-	-	-	-	-	9,849,335	9,849,335
Restricted for debt service	-	-	-	-	4,792,271	-	-	4,792,271	(1,735,062)	3,057,209
Restricted for net pension asset	-	-	-	-	-	-	-	-	19,199,954	19,199,954
Unrestricted	51,011,863	882,387	472,222	-	-	6,585,869	3,155,964	62,108,305	(51,469,692)	10,638,613
TOTAL NET POSITION	\$ 51,011,863	\$ 882,387	\$ 472,222	\$ 31,177,604	\$ 4,792,271	\$ 7,590,539	\$ 4,395,156	\$ 100,322,042	\$ 56,334,843	\$ 156,656,885

**MADISON AREA TECHNICAL COLLEGE DISTRICT
 SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL
 STATEMENTS TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2018**

BUDGETS AND BUDGETARY ACCOUNTING

The District follows the procedures listed below in adopting annual budgets for all funds in accordance with legal requirements.

- Property taxes are levied by the various taxing municipalities located primarily in South Central Wisconsin. The District records as revenue its share of the local tax when levied.
- Public hearings are conducted on the proposed budget prior to District Board approval.
- Prior to July 1, the budget is legally enacted through approval by the District Board.
- Budget amendments made 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 1 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 as presented in the accompanying financial statements. Expenditures by fund and function may not exceed funds available, appropriated, or budgeted. All budget amendments must be authorized by a resolution adopted by a vote of two-thirds of the District Board. Appropriations lapse at year-end.

Formal budgetary integration is employed as a planning device for all funds. The District adopts an annual operating budget that is prepared on a different basis from the financial statements, which are prepared in accordance with US GAAP. The budget differs from US GAAP by recognizing encumbrances as expenditures.

(1) State grants revenue is presented on the basic financial statements as follows:

State			
Operating		\$	4,482,074
Non-operating			<u>72,586,126</u>
		\$	<u><u>77,068,200</u></u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL
STATEMENTS TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018**

(2) Institutional revenue is reported as seven separate line items on the basic financial statements:

Institutional revenue	
Business and industry contract revenue	\$ 2,361,112
School District contract revenue	130,288
Miscellaneous revenue	1,601,715
Gifts, grants and bequest	15,688,206
Cost reimbursements	84,196
Investment income earned	1,141,119
	<u>\$ 21,006,636</u>

(3) Interest expense is reported as a component of physical plant on the budgetary statements:

Interest expense	
Physical plant	\$ 21,266,611
Interest expense	3,731,754
	<u>\$ 24,998,365</u>

(4) Reconciliation of budgetary basis fund balance and net position as presented in the basic financial statements:

General capital assets capitalized	\$ 429,588,547
Accumulated depreciation on general capital assets	(175,282,783)
General obligation notes payable	(166,755,000)
Accrued AP liability for Arbitrage	(40,000)
Premiums on notes payable	(13,081,161)
Capital lease obligation	(40,117)
Compensated absences	(14,783,756)
Accrued interest on bonds	(1,735,062)
Summer school tuition earned	1,124,398
Summer school instructor wages paid	(722,453)
Encumbrances outstanding at year-end	2,829,245
Net Pension obligations	13,388,376
Net OPEB obligations	(22,682,948)
Refunding Loss	4,527,557
	<u>4,527,557</u>
Net position per basic financial statements	<u>\$ 156,656,885</u>

STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health. The information was prepared by the District and was not subject to audit by the independent certified public accounting firm.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 for the fiscal year ended June 30, 2000; schedules presenting information prepared on an accrual basis include information beginning in that year.

Column Headings: The columns headed "Year" in this section refer to the District's fiscal year (July 1 to June 30). Certain data included in this section is only available on a calendar-year basis; and if calendar-year data is presented, it is disclosed in the notes to the specific statement or schedule included in this section.

MADISON AREA TECHNICAL COLLEGE DISTRICT

NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net investment in capital assets	\$113,911,774	\$104,751,403	\$ 91,226,801	\$ 89,235,589	\$ 83,024,787	\$ 79,199,865	\$ 67,916,189	\$61,371,220	\$73,505,606	\$ 66,214,116
Restricted for pension asset	19,199,954	-	-	16,814,521	-	-	-	-	-	-
Restricted for capital acquisitions	9,849,335									
Restricted for debt service	3,057,209	2,283,377	2,119,451	1,754,739	1,041,837	3,278,488	4,395,282	1,820,545	1,222,142	-
Unrestricted	10,638,613	50,597,493	52,699,407	41,152,900	27,311,530	27,120,372	31,600,454	31,067,333	19,909,083	23,660,949
Total Net Position	<u>\$156,656,885</u>	<u>\$157,632,273</u>	<u>\$146,045,659</u>	<u>\$148,957,749</u>	<u>\$111,378,154</u>	<u>\$ 109,598,725</u>	<u>\$ 103,911,925</u>	<u>\$94,259,098</u>	<u>\$94,636,831</u>	<u>\$ 89,875,065</u>

MADISON AREA TECHNICAL COLLEGE DISTRICT
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating revenues										
Student program fees, net of scholarship	29,928,213	30,703,618	\$ 32,589,460	\$ 32,509,912	\$ 32,150,441	\$ 31,232,106	\$ 31,686,298	\$ 30,224,934	\$ 31,542,627	\$ 20,852,027
Student material fees, net of scholarship	1,281,266	1,189,908	1,248,436	1,213,961	1,456,100	1,372,233	1,340,293	1,267,253	1,403,762	1,059,129
Other student fees, net of scholarship	2,184,923	2,144,304	2,368,872	2,200,736	1,739,035	1,762,434	1,170,728	1,401,037	1,546,099	1,276,812
Federal grants	19,515,611	19,621,514	21,762,419	22,648,311	22,444,775	23,578,321	23,129,978	23,502,656	20,404,153	11,108,246
State grants	4,482,074	4,977,457	6,447,173	5,363,910	3,656,319	3,462,942	3,188,602	4,252,491	3,865,494	3,496,036
Business and industry contract revenue	2,361,112	2,122,728	2,095,590	1,769,275	1,597,989	859,982	1,065,180	871,884	873,530	1,316,450
School District contract revenue	130,288	153,476	153,258	196,181	178,302	218,558	242,900	267,295	309,863	274,588
Auxiliary enterprise revenues	8,936,361	8,660,085	8,493,314	9,690,781	9,447,586	10,193,166	10,294,766	10,633,447	11,013,767	9,937,380
Cost reimbursements	84,196	82,491	81,750	83,019	79,975	87,194	79,664	68,224	74,717	59,759
Miscellaneous	1,601,715	1,775,781	2,122,492	1,988,004	1,767,401	1,853,790	1,615,392	3,445,334	2,324,132	1,352,221
Total operating revenues	70,505,759	71,431,362	77,362,764	77,664,090	74,517,923	74,620,726	73,813,801	75,934,555	73,358,144	50,732,648
Operating expenses										
Instruction	109,283,605	111,372,469	111,211,738	110,963,880	112,485,244	110,735,748	103,801,205	109,064,599	106,258,865	91,498,550
Instructional resources	8,375,947	7,932,980	8,570,509	6,112,871	5,680,423	10,275,003	7,032,730	2,474,949	2,142,115	4,289,785
Student services	15,665,290	17,617,800	14,290,392	14,347,102	13,534,202	12,553,919	14,361,928	14,112,715	12,743,223	11,631,575
General institutional	15,010,440	14,362,871	13,998,775	18,280,779	16,792,372	15,679,095	15,006,634	14,731,034	13,932,730	14,232,082
Physical plant	21,266,611	10,796,326	27,561,679	13,511,787	14,985,883	12,527,817	15,435,723	13,418,770	15,563,948	12,517,470
Public service	415,723	365,999	664,045	348,639	395,696	347,053	360,280	272,402	250,254	246,966
Auxiliary enterprise services	10,557,217	12,160,275	9,547,330	9,681,632	9,220,930	9,850,599	9,931,538	14,270,939	10,602,225	10,553,468
Depreciation	20,735,136	20,028,875	19,326,838	19,538,063	19,057,163	15,257,608	11,484,474	9,845,434	7,355,105	5,522,519
Student aid	9,848,889	10,089,249	11,519,141	12,327,451	13,352,446	13,305,607	13,289,631	15,316,467	15,856,233	3,375,394
Total operating expenses	211,158,858	204,726,844	216,690,447	205,112,204	205,504,359	200,532,449	190,704,143	193,507,309	184,704,698	153,867,809
Operating loss	(140,653,099)	(133,295,482)	(139,327,683)	(127,448,114)	(130,986,436)	(125,911,723)	(116,890,342)	(117,572,754)	(111,346,554)	(103,135,161)
Non-operating revenues (expenses)										
Property taxes	74,990,662	73,676,951	66,583,533	64,950,704	124,164,039	123,134,320	118,353,782	103,178,991	96,036,715	89,603,131
State appropriations	72,586,126	72,221,737	73,750,761	74,196,729	12,956,208	12,591,755	12,046,603	14,703,139	14,555,632	12,899,345
Gifts, grants and bequests	15,688,206	3,524,425	967,842	721,743	825,229	660,950	507,954	208,401	644,846	142,979
Gain (loss) on disposal of capital assets	(27,035)	(144,957)	(158,325)	(262,602)	(13,792)	(5,465)	(145,712)	-	54,347	59,810
Investment income earned	1,141,119	544,505	182,589	91,664	80,534	199,139	459,290	57,226	330,362	647,245
Interest expense	(3,731,754)	(4,940,565)	(4,910,807)	(4,968,421)	(5,246,353)	(3,149,488)	(4,678,748)	(952,742)	(1,047,588)	(974,530)
Total non-operating revenues	160,647,324	144,882,096	136,415,593	134,729,817	132,765,865	133,431,211	126,543,169	117,195,015	110,574,314	102,377,980
INCREASE (DECREASE) IN NET POSITION	\$ 19,994,225	\$ 11,586,614	\$ (2,912,090)	\$ 7,281,703	\$ 1,779,429	\$ 7,519,488	\$ 9,652,827	\$ (377,739)	\$ (772,240)	\$ (757,181)

* Student financial aid loans excluded from revenue and student aid expense starting in 2009

MADISON AREA TECHNICAL COLLEGE DISTRICT

DISTRIBUTION OF REAL PROPERTY VALUE ON AN EQUALIZED BASIS
COLUMBIA, DANE, JEFFERSON, MARQUETTE, AND SAUK COUNTIES (1)
Last Ten Calendar Years (Jan. 1 to Dec. 31)

Calendar Year	Residential	Commercial	Manufacturing	Agriculture and Ag Forest	Undeveloped	Forest	Other	Personal Property	Total	District Equalized Valuation (2)	Total Direct Tax Rate
2008	50,872,236,300	15,584,109,200	1,446,066,700	630,833,000	266,613,800	442,146,100	1,797,773,200	1,766,662,700	72,806,441,000	71,847,552,594	1.21141
% of Total	69.9%	21.4%	2.0%	0.9%	0.4%	0.6%	2.5%	2.4%			
2009	50,600,204,900	16,119,589,400	1,427,680,200	658,563,400	266,615,900	413,641,200	1,790,582,000	1,840,161,500	73,117,038,500	72,154,407,451	1.31303
% of Total	69.2%	22.0%	2.0%	0.9%	0.4%	0.6%	2.4%	2.5%			
2010	48,374,961,900	16,356,586,600	1,429,021,400	656,579,700	269,221,000	394,712,000	1,709,273,200	1,794,513,100	70,984,868,900	70,035,643,183	1.47462
% of Total	68.1%	23.0%	2.0%	0.9%	0.4%	0.6%	2.4%	2.5%			
2011	48,281,413,000	15,761,347,200	1,422,285,100	627,588,900	248,517,200	376,942,900	1,689,525,100	1,704,475,500	70,112,094,900	69,185,451,307	1.70944
% of Total	68.9%	22.5%	2.0%	0.9%	0.4%	0.5%	2.4%	2.4%			
2012	47,009,477,900	15,732,402,000	1,400,086,900	608,345,800	268,804,600	355,649,500	1,701,923,900	1,697,416,500	68,774,107,100	67,889,606,595	1.81563
% of Total	68.4%	22.9%	2.0%	0.9%	0.4%	0.5%	2.5%	2.5%			
2013	46,555,092,100	15,985,403,100	1,448,938,000	595,947,100	284,204,800	339,549,500	1,725,196,900	1,738,021,200	68,672,352,700	67,791,393,219	1.84099
% of Total	67.8%	23.3%	2.1%	0.9%	0.4%	0.5%	2.5%	2.5%			
2014	47,981,951,300	16,693,971,200	1,485,495,900	579,806,800	308,763,300	338,305,000	1,756,427,600	1,778,041,400	70,922,762,500	70,029,189,137	0.93374
% of Total	67.7%	23.5%	2.1%	0.8%	0.4%	0.5%	2.5%	2.5%			
2015	49,870,622,600	17,514,445,200	1,510,717,750	580,292,700	298,031,400	315,470,800	1,814,528,400	1,832,634,000	73,736,742,850	72,808,813,990	0.92735
% of Total	67.6%	23.8%	2.0%	0.8%	0.4%	0.4%	2.5%	2.5%			
2016	52,029,720,700	18,303,215,900	1,541,017,050	590,511,900	313,717,600	329,516,500	1,824,890,700	1,855,908,100	76,788,498,450	75,829,290,803	0.96574
% of Total	67.8%	23.8%	2.0%	0.8%	0.4%	0.4%	2.4%	2.4%			
2017	54,946,447,700	20,282,777,900	1,623,403,550	600,387,000	294,925,000	343,866,300	1,765,246,200	1,935,287,300	81,792,340,950	80,798,164,912	0.94179
% of Total	67.2%	24.8%	2.0%	0.7%	0.4%	0.4%	2.2%	2.4%			

Notes: (1) The District is comprised of almost all of five (5) counties (Columbia, Dane, Jefferson, Marquette, and Sauk) and parts of seven (7) other counties (Adams, Dodge, Green, Iowa, Juneau, Richland, and Rock). Real property values are presented for Columbia, Dane, Jefferson, Marquette, and Sauk counties. These five counties comprise over 97% of the District's total equalized valuation. Therefore, the above total column will be greater than the actual total equalized value for the District.

(2) Due to varying assessment policies in the municipalities contained in the District, the District uses equalized value of taxable property for tax levy purposes. This equalized value of property approximates estimated actual (full) value of taxable property in the State of Wisconsin. The District Equalized Valuation is the equalized value of property, excluding tax incremental financing districts, with the district. Amount shown is for the five counties listed only.

MADISON AREA TECHNICAL COLLEGE DISTRICT

DIRECT AND OVERLAPPING ⁽²⁾ PROPERTY TAX RATES

Last Ten Years

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

	Calendar Year Taxes are Payable									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District direct rates										
Operational (1)	0.51343	0.51176	0.50821	0.50028	1.39401	\$1.37085	\$1.34174	\$1.32749	\$1.18113	\$1.08671
Debt Service	0.42836	0.45398	0.41914	0.43346	0.44698	0.44479	0.36770	0.14713	0.13190	0.12470
Total Direct Rate	0.94179	0.96574	0.92735	0.93374	1.84099	1.81564	1.70944	1.47462	1.31303	1.21141
Adams County										
T Dell Prairie	17.57	17.87	17.71	18.09	18.90	17.97	17.31	16.66	15.00	14.68
T Jackson	18.24	18.58	18.89	19.08	20.45	19.24	18.38	18.12	16.44	15.58
T New Haven	18.57	19.24	18.62	19.37	20.17	19.16	18.67	18.08	16.41	16.01
T Springville	18.55	18.96	19.37	19.39	20.94	19.90	18.92	18.50	16.78	15.92
C Wisconsin Dells	25.50	26.06	25.74	26.99	27.82	26.57	26.13	25.62	22.89	21.91
Columbia County										
T Arlington	20.28	20.61	21.28	21.48	22.88	22.04	21.88	20.73	19.63	18.38
T Caledonia	16.50	16.82	17.44	17.48	18.09	18.32	17.78	16.98	16.51	15.58
T Columbus	18.16	19.03	19.88	20.47	21.74	21.26	20.68	19.77	18.31	17.76
T Courtland	21.73	21.47	21.08	19.18	20.75	20.52	19.49	19.00	17.35	16.29
T Dekorra	17.78	17.82	18.51	18.55	20.43	19.10	18.89	17.81	17.06	16.08
T Fort Winnebago	17.20	17.62	18.21	18.30	18.95	19.35	18.73	17.73	17.41	16.66
T Fountain Prairie	21.13	21.45	21.04	21.37	22.34	22.75	22.43	21.42	19.72	17.89
T Hampden	18.59	19.26	20.18	20.55	21.86	21.21	20.69	19.91	18.28	17.69
T Leeds	19.83	20.37	20.84	21.00	22.29	21.87	21.70	20.76	19.17	18.61
T Lewiston	17.15	17.54	18.11	18.19	18.78	19.16	18.62	17.56	17.18	16.58
T Lodi	18.80	19.59	19.67	20.01	20.63	19.90	20.32	19.35	18.52	16.70
T Lowville	19.31	19.13	19.71	19.35	20.53	18.92	19.05	19.32	17.66	16.90
T Marcellon	18.89	17.81	18.77	18.83	20.29	19.62	19.21	18.52	17.61	15.67
T Newport	16.71	17.28	17.28	17.04	17.77	17.16	16.60	16.03	14.64	14.24
T Otsego	22.02	21.85	22.14	21.08	21.44	19.43	19.80	21.54	19.27	18.81
T Pacific	13.96	13.53	13.85	14.44	16.22	14.67	14.77	13.81	12.83	12.63
T Randolph	19.68	19.35	18.54	17.06	19.18	18.63	18.41	17.81	16.30	15.23
T Scott	18.99	18.48	18.04	17.75	19.92	19.41	19.24	18.66	17.33	15.86
T Springvale	20.69	19.86	19.66	18.86	20.23	18.79	18.71	19.31	17.74	16.33
T West Point	17.79	18.25	18.80	19.04	19.62	19.08	18.90	18.24	17.30	15.62
T Wycocena	18.95	18.05	18.64	18.50	19.52	18.69	18.64	18.23	17.24	15.45
V Arlington	21.08	20.64	21.60	21.34	23.22	23.03	22.47	21.35	21.06	20.07
V Cambria	27.71	27.70	26.03	25.46	28.48	26.89	25.73	24.94	23.36	22.29
V Doylestown	20.24	20.06	20.22	19.21	19.38	17.05	17.84	19.79	17.68	17.26
V Fall River	21.55	22.12	21.70	21.33	22.48	23.14	23.01	21.90	20.28	19.23
V Friesland	22.99	22.91	21.45	20.74	23.71	22.58	21.52	21.01	19.01	17.98

MADISON AREA TECHNICAL COLLEGE DISTRICT

DIRECT AND OVERLAPPING ⁽²⁾ PROPERTY TAX RATES
Last Ten Years
(Rate per \$1,000 of Equalized Value)

	Calendar Year Taxes are Payable									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
V Pardeeville	22.14	21.20	22.53	22.46	24.26	23.67	23.70	22.95	21.73	19.53
V Poynette	24.56	24.92	25.74	25.69	28.07	26.74	25.48	24.69	23.01	21.47
V Randolph	29.49	29.45	30.12	26.58	27.51	28.03	26.48	25.46	24.47	22.88
V Rio	26.65	26.80	26.53	25.76	25.68	22.98	23.84	25.13	22.60	21.72
V Wyocena	23.81	22.60	23.50	23.21	24.33	23.81	23.35	22.55	21.48	19.38
C Columbus	23.41	24.39	25.19	25.85	27.15	26.64	25.86	24.98	23.46	22.49
C Lodi	24.17	25.19	25.15	25.27	26.28	25.00	25.60	24.57	23.24	21.33
C Portage	24.38	24.59	25.10	25.12	25.58	26.24	24.70	23.80	23.15	22.23
C Wisconsin Dells	23.20	23.64	23.36	24.51	25.10	24.20	23.85	23.33	21.00	20.11
Dane County										
T Albion	17.94	18.23	18.08	17.63	18.95	19.35	17.98	17.40	16.03	14.41
T Berry	18.37	18.66	19.43	19.02	19.74	18.95	18.02	18.09	16.83	16.06
T Black Earth	19.50	19.99	20.16	19.51	20.44	19.63	18.47	18.63	17.40	17.07
T Blooming Grove	18.88	19.71	19.89	21.59	22.08	21.70	21.11	20.41	19.04	18.23
T Blue Mounds	17.25	16.18	16.56	17.54	18.08	17.57	17.20	16.36	15.25	14.63
T Bristol	17.83	18.33	18.69	18.84	20.14	19.46	19.03	18.22	16.85	15.92
T Burke	17.52	18.34	18.66	18.70	19.82	19.46	19.33	18.59	16.86	16.27
T Christiana	16.34	17.25	17.19	17.12	18.58	18.96	18.12	17.60	16.02	15.15
T Cottage Grove	21.11	21.85	21.05	21.90	23.04	22.21	21.72	21.04	19.60	19.57
T Cross Plains	18.03	17.86	18.30	18.43	18.70	18.26	17.53	16.93	15.70	14.86
T Dane	17.73	18.02	18.18	18.28	18.92	18.31	18.56	17.90	16.91	15.14
T Deerfield	18.97	19.95	20.12	20.50	21.17	21.39	20.95	19.22	17.81	17.98
T Dunkirk	18.97	19.03	19.25	19.16	20.06	19.68	17.81	16.81	15.29	13.73
T Dunn	18.67	18.89	19.05	19.22	20.22	20.22	18.78	18.01	16.57	15.79
T Madison	22.21	22.88	22.93	22.65	24.32	24.11	23.28	22.72	21.23	20.48
T Mazomanie	17.78	18.02	18.33	17.73	18.61	17.99	16.80	16.98	15.97	15.53
T Medina	20.11	18.68	20.53	20.52	21.77	19.02	17.99	17.33	16.51	16.62
T Middleton	17.33	17.81	18.85	18.78	19.43	19.01	18.25	18.18	16.86	15.70
T Montrose	19.61	18.74	18.95	18.85	19.75	19.09	18.11	17.19	16.34	15.80
T Oregon	18.50	18.93	19.23	18.96	20.18	19.85	19.22	18.54	17.21	16.42
T Perry	19.21	18.30	18.61	19.08	19.87	18.73	18.37	17.55	16.29	15.76
T Pleasant Springs	17.69	17.32	17.40	17.33	18.39	18.21	16.76	15.92	14.67	13.83
T Primrose	18.62	18.23	18.53	18.77	18.99	18.73	18.58	17.67	16.36	15.73
T Roxbury	16.50	16.66	17.61	17.73	18.16	17.63	17.17	17.05	15.74	14.16
T Rutland	18.84	18.96	19.23	19.12	20.33	19.88	18.61	17.85	15.99	15.07
T Springdale	17.36	16.47	16.70	17.31	17.96	17.56	17.03	16.26	15.09	14.61
T Springfield	16.97	17.39	18.34	17.82	18.45	18.09	17.49	17.51	16.23	14.92
T Sun Prairie	19.15	19.56	20.12	20.08	21.31	20.44	19.85	19.03	17.82	17.05

MADISON AREA TECHNICAL COLLEGE DISTRICT

DIRECT AND OVERLAPPING ⁽²⁾ PROPERTY TAX RATES
Last Ten Years
(Rate per \$1,000 of Equalized Value)

	Calendar Year Taxes are Payable									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
T Vermont	18.59	18.62	18.92	18.87	19.74	19.00	18.25	17.95	16.73	16.37
T Verona	20.87	20.34	20.41	20.32	21.51	21.83	20.94	20.47	19.29	18.82
T Vienna	18.32	19.08	19.30	19.14	20.10	19.67	19.81	19.34	18.00	16.87
T Westport	17.79	18.15	18.47	18.21	19.05	18.77	18.25	17.93	16.74	15.18
T Windsor	0.00	0.00	20.97	21.28	22.26	21.75	21.53	20.73	18.38	17.92
T York	17.87	18.03	19.08	19.30	20.47	19.12	18.49	17.53	16.60	16.00
V Belleville	24.79	23.99	24.08	24.05	24.72	23.91	22.34	20.95	20.45	19.68
V Black Earth	22.70	23.53	24.25	23.28	21.66	22.87	21.21	21.70	20.47	19.80
V Blue Mounds	22.47	21.76	22.14	22.26	23.08	21.96	21.35	20.59	18.92	18.46
V Brooklyn	24.44	24.79	25.63	25.82	26.38	25.12	24.74	23.47	21.83	20.97
V Cambridge	23.66	25.01	25.15	24.70	26.25	26.27	25.11	24.65	22.55	21.73
V Cottage Grove	23.64	24.10	23.12	23.66	23.86	22.71	22.37	21.92	20.72	21.58
V Cross Plains	21.85	22.06	22.79	22.67	23.17	22.83	22.13	22.02	20.30	19.04
V Dane	23.10	23.81	23.96	24.11	24.88	23.04	23.07	22.30	20.75	18.56
V Deerfield	23.10	24.08	23.85	24.67	24.37	24.06	24.01	22.16	20.78	20.80
V Deforest	21.41	22.41	22.70	22.64	23.76	23.50	23.02	22.12	20.29	20.04
V Maple Bluff	22.14	22.86	23.10	23.34	23.36	22.89	22.21	22.10	20.39	19.55
V Marshall	23.98	23.60	25.78	25.61	26.28	23.19	21.46	20.66	19.94	19.70
V Mazomanie	23.36	23.88	23.87	23.30	24.57	22.94	22.04	21.65	20.47	19.80
V McFarland	22.81	23.63	23.14	23.86	24.95	24.84	23.38	22.88	21.38	20.77
V Mount Horeb	21.35	20.39	20.37	21.27	22.06	21.43	21.00	20.12	18.93	18.55
V Oregon	21.08	21.50	22.07	21.80	23.23	22.74	22.15	21.25	19.92	19.06
V Rockdale	20.48	21.75	21.73	21.69	23.36	23.69	22.79	22.32	20.51	19.66
V Shorewood Hills	21.18	21.42	21.67	21.50	22.46	21.86	20.79	20.17	18.74	17.78
V Waunakee	21.57	21.98	22.15	22.09	23.36	23.20	22.66	22.11	20.96	19.36
V Windsor	19.34	20.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C Edgerton	22.10	22.55	22.59	22.43	23.84	23.93	22.28	21.56	19.80	17.94
C Fitchburg	24.64	24.54	24.42	24.06	25.07	24.66	23.89	23.01	21.08	20.30
C Madison	24.54	25.16	25.25	25.11	26.04	25.40	24.37	23.53	21.73	20.64
C Middleton	20.36	20.91	22.48	22.32	22.51	21.77	20.78	20.35	19.02	17.57
C Monona	23.73	24.42	23.26	23.71	24.94	23.86	23.63	22.49	21.24	21.12
C Stoughton	23.87	23.96	24.34	24.20	25.17	24.52	22.44	21.17	19.85	18.56
C Sun Prairie	23.99	24.71	25.26	25.51	26.69	26.18	25.47	24.52	22.86	21.91
C Verona	22.05	21.95	22.80	22.91	24.12	24.30	23.51	23.01	21.68	21.34
Dodge County										
T Calamus	18.97	18.42	18.52	18.65	19.76	20.04	20.16	20.21	18.75	17.66
T Clyman	20.08	20.90	21.05	21.15	22.04	21.43	21.14	21.12	19.99	18.87
T Elba	18.42	19.27	19.82	20.20	21.59	20.85	20.17	19.48	19.01	17.24

MADISON AREA TECHNICAL COLLEGE DISTRICT

DIRECT AND OVERLAPPING ⁽²⁾ PROPERTY TAX RATES
Last Ten Years
(Rate per \$1,000 of Equalized Value)

	Calendar Year Taxes are Payable									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
T Emmet	17.92	18.50	18.41	18.87	20.30	20.38	19.68	19.00	17.55	16.73
T Fox Lake	19.91	19.50	20.23	19.81	21.22	20.95	20.03	20.02	18.09	17.25
T Lebanon	19.41	20.05	20.01	19.84	21.45	21.30	20.49	19.84	18.62	17.83
T Lowell	20.71	21.03	21.41	21.25	22.57	22.12	19.74	22.22	21.46	19.78
T Portland	18.80	19.07	20.20	20.12	21.28	20.41	20.63	19.43	19.29	17.69
T Shields	18.47	18.89	18.75	19.18	20.56	20.73	20.14	19.48	18.01	17.23
T Westford	19.02	18.30	18.45	17.40	18.27	18.56	18.13	18.28	17.05	16.07
V Randolph	32.32	31.84	33.00	29.01	30.08	30.96	29.28	28.16	26.62	24.77
C Watertown	24.93	25.54	25.40	25.62	26.81	26.63	25.27	24.30	22.17	21.02
Green County										
T Adams	22.57	21.95	20.30	21.14	22.22	22.26	21.97	21.60	20.54	20.06
T Brooklyn	23.45	23.28	23.92	23.90	23.24	22.59	22.12	21.35	20.22	18.85
T Exeter	20.82	20.30	20.58	20.82	21.83	21.16	20.35	19.19	18.43	17.70
T New Glarus	23.10	23.25	23.70	23.54	24.55	23.97	23.98	23.02	21.63	20.39
T Washington	20.80	21.08	21.53	22.29	23.72	23.08	22.41	22.19	21.19	19.29
T York	21.15	21.01	21.27	21.95	23.14	22.70	22.71	22.37	21.45	19.95
V Belleville	27.03	26.26	26.44	26.51	27.28	26.51	25.00	23.60	23.17	22.11
V Brooklyn	26.56	26.98	27.98	28.30	28.97	27.77	27.47	26.14	24.56	23.42
V New Glarus	26.75	27.34	27.92	28.31	29.34	28.60	28.66	27.19	25.47	24.01
Iowa County										
T Arena	18.92	19.85	19.46	19.90	20.75	20.10	19.48	19.21	18.19	16.64
T Clyde	21.22	21.61	21.07	21.38	22.44	21.73	21.29	21.61	19.51	17.83
T Dodgeville	21.01	21.69	20.05	20.67	22.84	21.97	21.59	21.53	20.51	18.78
T Moscow	23.98	23.37	23.04	24.37	25.25	24.49	24.50	24.87	23.88	22.09
T Ridgeway	23.23	23.99	22.54	23.21	25.45	24.94	24.34	24.18	24.00	22.34
T Wyoming	19.48	20.36	19.58	20.19	22.24	20.73	20.38	20.17	19.14	17.48
V Arena	26.84	28.43	28.08	27.59	28.42	27.01	25.88	26.98	25.77	24.72
Jefferson County										
T Aztalan	19.01	19.77	19.72	20.04	20.25	20.14	19.22	18.39	16.78	15.88
T Cold Spring	18.50	18.88	18.82	19.23	19.87	19.27	18.48	18.26	16.70	15.64
T Concord	17.20	17.71	17.88	18.11	18.99	19.24	18.03	17.45	16.07	15.09
T Farmington	17.70	18.16	17.81	17.87	17.35	17.29	16.63	15.85	14.66	14.23
T Hebron	18.60	19.82	19.73	20.02	21.12	20.76	18.71	17.97	16.34	15.48
T Ixonia	17.03	17.50	17.90	18.04	19.30	19.58	18.23	17.79	16.67	15.38
T Jefferson	18.48	19.40	19.47	19.45	20.26	20.02	19.60	17.68	15.82	14.75
T Koshkonong	17.19	17.94	17.84	17.90	19.19	18.82	18.13	17.60	16.14	15.25

MADISON AREA TECHNICAL COLLEGE DISTRICT

DIRECT AND OVERLAPPING ⁽²⁾ PROPERTY TAX RATES
Last Ten Years
(Rate per \$1,000 of Equalized Value)

	Calendar Year Taxes are Payable									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
T Lake Mills	16.91	17.90	17.94	17.82	19.04	18.96	17.34	17.20	15.90	15.48
T Milford	16.65	17.94	18.40	18.01	18.98	18.48	17.09	16.75	15.50	15.05
T Oakland	19.71	20.77	20.58	20.62	22.14	22.39	21.39	20.94	19.32	18.28
T Palmyra	17.94	18.20	18.76	19.25	19.67	19.09	18.69	17.81	16.70	15.60
T Sullivan	18.68	19.25	19.48	19.93	20.64	20.40	19.78	18.68	17.22	16.10
T Sumner	17.95	18.76	18.83	18.72	19.86	19.87	18.89	18.37	16.89	15.64
T Waterloo	17.78	18.05	19.07	19.25	20.10	19.37	18.90	18.01	17.38	16.19
T Watertown	15.75	16.23	16.21	16.55	17.50	17.52	16.74	16.18	14.70	13.91
V Cambridge	24.94	26.46	26.61	26.06	27.57	27.66	26.36	25.99	23.07	22.69
V Johnson Creek	23.86	24.45	24.72	24.50	22.98	22.72	21.04	20.33	19.41	18.95
V Sullivan	22.82	23.39	23.33	23.95	24.89	24.18	23.67	22.22	19.05	17.99
C Fort Atkinson	23.94	25.17	24.75	24.50	26.04	25.25	24.41	23.93	21.93	20.81
C Jefferson	24.53	25.75	25.44	26.03	26.51	25.72	24.62	22.98	20.65	19.64
C Lake Mills	22.87	24.01	24.12	23.68	25.37	24.92	23.04	22.73	21.28	20.96
C Waterloo	24.66	24.80	26.21	26.78	28.05	26.07	26.29	24.49	24.27	22.28
C Watertown	23.83	24.45	24.28	24.57	25.61	25.34	23.92	23.00	20.84	19.73
C Whitewater	22.94	22.89	22.50	23.01	23.31	22.64	21.68	21.50	19.78	18.72
Juneau County										
T Lindina	20.45	20.94	21.94	22.23	24.23	22.89	22.78	22.13	21.00	19.49
T Lyndon	18.43	18.93	19.11	19.57	20.62	19.71	19.24	18.60	17.01	16.00
T Seven Mile Creek	24.11	24.54	25.60	26.14	27.90	26.39	26.17	25.33	24.07	22.52
T Summit	23.96	24.53	25.45	26.65	27.71	26.22	26.45	24.92	23.38	22.70
T Wonewoc	23.07	23.72	24.74	25.06	26.96	24.59	24.02	23.86	21.34	21.18
V Union Center	24.96	25.32	26.15	27.40	28.28	25.47	25.21	24.11	22.06	21.18
V Wonewoc	27.29	28.28	28.65	29.64	31.19	28.82	28.93	26.80	24.42	23.73
C Wisconsin Dells	24.86	25.22	25.04	26.27	26.70	25.60	25.34	24.70	22.14	20.89
Marquette County										
T Buffalo	19.74	20.58	19.11	18.58	19.67	18.65	17.55	17.17	17.45	16.49
T Crystal Lake	18.36	18.10	19.21	19.11	20.25	19.22	18.14	18.40	16.55	15.56
T Douglas	19.11	19.29	19.62	19.61	20.35	19.65	18.73	18.22	16.73	16.34
T Harris	19.54	19.17	20.48	20.16	20.56	19.47	18.40	18.74	16.90	15.86
T Mecan	19.64	20.18	19.39	18.61	19.67	18.71	17.61	17.20	17.36	16.49
T Montello	19.68	20.48	19.09	18.58	19.59	18.57	17.59	17.21	17.40	16.44
T Moundville	20.26	20.50	20.55	20.11	20.78	20.89	20.00	19.11	18.23	17.67
T Neshkoro	18.86	18.43	19.60	19.12	20.30	19.24	18.11	18.23	16.63	15.75
T Newton	18.92	18.91	20.24	20.05	21.23	19.97	18.89	19.22	17.37	16.51
T Oxford	18.83	18.99	20.21	19.69	20.80	19.33	18.18	18.46	16.66	15.67

MADISON AREA TECHNICAL COLLEGE DISTRICT

DIRECT AND OVERLAPPING ⁽²⁾ PROPERTY TAX RATES
Last Ten Years
(Rate per \$1,000 of Equalized Value)

	Calendar Year Taxes are Payable									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
T Packwaukee	20.18	21.05	19.72	19.07	20.30	19.06	18.02	17.72	17.72	16.81
T Shields	20.23	21.06	19.56	19.01	20.04	18.98	17.93	17.52	17.79	16.79
T Springfield	18.04	17.99	19.18	18.98	20.14	19.09	18.00	18.32	16.50	15.56
T Westfield	17.99	17.98	19.18	18.94	19.85	18.77	17.74	18.06	16.28	15.28
V Endeavor	26.62	26.48	26.73	26.10	26.41	26.16	25.02	24.14	22.90	22.02
V Neshkoro	23.09	22.95	24.14	24.01	24.99	24.01	22.75	22.98	21.01	20.16
V Oxford	23.19	23.45	24.81	24.53	25.83	24.25	23.03	23.52	21.87	20.42
V Westfield	25.82	25.96	27.17	27.00	28.12	26.79	25.52	25.39	23.82	22.30
C Montello	27.97	29.68	28.27	26.84	26.53	25.85	24.32	23.16	23.24	21.61
Richland County										
T Buena Vista	19.23	18.66	19.08	19.28	19.96	19.77	18.99	19.34	19.47	18.27
T Ithaca	23.86	22.55	23.82	23.31	25.03	25.31	25.50	25.19	24.38	22.90
T Westford	24.13	23.13	24.90	23.82	25.11	25.31	23.18	24.46	23.15	22.53
V Lone Rock	22.21	22.07	22.25	22.84	23.99	23.01	22.11	21.76	21.12	19.37
Rock County										
T Porter	20.65	21.11	21.75	21.75	22.28	22.02	20.88	20.31	18.98	17.87
T Union	22.15	22.66	24.04	24.32	23.85	22.83	21.85	21.22	19.83	19.16
Sauk County										
T Baraboo	17.34	17.30	17.27	17.68	18.14	17.77	17.05	17.10	16.68	15.30
T Bear Creek	20.50	21.47	21.74	22.25	22.84	22.61	21.85	21.52	20.76	19.42
T Dellona	15.54	16.12	15.43	16.41	17.08	16.07	15.59	15.17	14.04	13.50
T Delton	16.31	16.34	16.32	16.84	16.59	16.25	15.65	15.61	14.97	13.93
T Excelsior	17.05	17.04	17.45	18.36	19.28	18.70	18.06	17.38	16.55	15.47
T Fairfield	16.98	16.92	16.93	17.26	17.67	17.37	16.69	16.76	16.29	14.95
T Franklin	20.40	21.15	20.87	21.60	21.49	20.98	20.26	19.82	18.99	17.43
T Freedom	20.79	20.59	21.03	21.65	22.45	21.93	21.26	20.34	19.50	17.89
T Greenfield	17.43	17.37	17.34	17.58	17.98	17.68	17.01	17.12	16.64	15.34
T Honey Creek	19.36	19.57	20.30	21.16	21.42	21.01	20.43	20.12	18.95	17.08
T Ironton	20.61	20.74	21.57	21.90	22.84	22.51	21.45	21.71	20.27	19.58
T La Valle	17.70	17.94	18.42	19.31	20.36	19.37	18.95	18.07	17.29	16.30
T Merrimac	16.15	16.38	17.11	17.45	17.76	17.32	16.83	16.71	15.82	14.33
T Prairie Du Sac	16.41	16.66	17.51	17.91	18.22	17.85	17.36	17.21	16.27	14.73
T Reedsburg	16.37	16.45	17.04	17.97	19.04	18.34	17.72	17.01	16.26	14.93
T Spring Green	19.24	19.52	19.65	19.74	20.89	19.47	18.70	18.46	17.45	16.03
T Sumpter	18.12	18.70	19.15	19.84	19.97	18.88	18.28	17.52	16.56	14.71
T Troy	18.59	19.01	20.11	20.67	21.03	20.53	20.02	19.92	18.54	16.99

MADISON AREA TECHNICAL COLLEGE DISTRICT

DIRECT AND OVERLAPPING ⁽²⁾ PROPERTY TAX RATES
Last Ten Years
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	Calendar Year Taxes are Payable									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
T Washington	22.63	22.45	24.02	23.15	23.98	24.26	22.45	23.02	21.88	21.28
T Westfield	19.22	19.21	19.79	21.14	22.31	21.69	21.04	20.09	19.22	17.98
T Winfield	16.64	16.62	17.23	18.11	19.25	18.53	17.95	17.16	16.42	15.25
T Woodland	19.54	19.77	20.48	21.86	22.92	20.79	20.85	19.97	18.47	17.95
V Ironton	21.37	21.21	21.98	22.94	23.54	22.86	22.25	22.13	20.75	19.42
V Lake Delton	16.02	16.17	16.07	17.10	17.59	17.11	16.67	16.27	14.89	14.52
V La Valle	22.60	22.78	23.15	23.44	24.63	23.95	23.36	22.34	20.95	19.32
V Loganville	26.15	25.47	25.30	26.10	26.58	25.41	24.75	23.74	22.50	21.37
V Merrimac	18.44	18.72	19.54	20.27	20.45	20.12	19.56	19.72	19.17	18.20
V North Freedom	21.16	21.06	20.80	21.12	20.37	19.98	18.97	19.00	18.23	16.73
V Plain	25.53	26.22	25.63	25.80	26.11	25.84	24.28	23.09	22.42	20.67
V Prairie Du Sac	21.93	22.24	23.46	23.21	23.45	22.92	22.38	22.01	20.63	18.83
V Rock Springs	22.53	22.86	23.66	24.50	23.48	22.91	22.12	21.31	20.05	18.26
V Sauk City	21.07	21.25	22.29	23.13	23.38	22.89	22.25	22.05	20.93	19.21
V Spring Green	22.34	23.38	23.43	24.59	25.21	24.06	23.38	23.00	21.59	20.08
V West Baraboo	25.14	24.87	24.64	24.90	24.92	24.41	23.45	23.04	22.90	21.56
C Baraboo	25.68	25.40	25.21	25.51	25.81	25.21	23.79	23.69	23.11	21.29
C Reedsburg	24.81	25.06	25.95	27.20	27.84	26.24	24.56	23.45	22.00	20.68
C Wisconsin Dells	22.74	23.23	22.97	24.37	24.72	23.81	23.50	23.21	20.92	19.99

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

Notes:

- (1) The operational property tax includes tax levies for all district funds except the debt service fund. By state statutes, the operational rate may not exceed \$1.50 for fiscal years prior to 2013-2014. Beginning in fiscal year 2013-2014, the mill rate unit was changed to cap operation levy at 2013 levels with increases only allowed for net new construction. For fiscal year 2014-2015, as a result of 2013 the Wisconsin Act 145, the District now receives a greater portion of its non-operating revenue directly from state appropriations in lieu of the operating property tax levy.
- (2) Tax rates shown for overlapping governments are the Full Value Rates - Gross. This rate is the total property tax divided by the full value of all taxable general property in the municipality, excluding tax incremental financing (TIF) districts. Total property tax includes state taxes and special charges on counties and tax districts, state trust fund loans, general county and county special purpose taxes, local taxes, county special charges, special purpose district taxes, and school taxes (elementary, secondary, and technical college). It reflects the amount of surplus funds applied (if any) by a tax district to reduce any of the above apportionments or charges. It does not include special assessments and charges to individuals, delinquent taxes, omitted taxes, forest crop taxes, managed forest land taxes, or occupational taxes.

MADISON AREA TECHNICAL COLLEGE DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	87,432,605	60,123,238	68.77	27,309,367	87,432,605	100.00
2010	94,919,048	65,084,712	68.57	29,834,336	94,919,048	100.00
2011	103,225,150	71,405,188	69.17	31,819,962	103,225,150	100.00
2012	118,392,167	82,610,894	69.78	35,781,273	118,392,167	100.00
2013	123,076,899	86,673,845	70.42	36,403,054	123,076,899	100.00
2014	124,121,753	88,198,137	71.06	35,923,616	124,121,753	100.00
2015	64,954,697	48,877,745	75.25	16,076,952	64,954,697	100.00
2016	66,685,505	50,064,943	75.08	16,620,562	66,685,505	100.00
2017	72,728,318	54,736,684	75.26	17,991,634	72,728,318	100.00
2018	74,965,346	57,158,226	76.25	17,807,120	74,965,346	100.00

Tax Levies, Rates, and Collections

Personal property taxes, special assessments, special charges, and special taxes must be paid to the town, city or village treasurer in full by January 31. Real property taxes may be paid in full by January 31, or in two equal installments payable by January 31 and July 31. Municipalities also have the option of adopting payment plans which allow taxpayers to pay their real property taxes and special assessments in three or more installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30, and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31 are paid to the county treasurer unless the municipality has authorized payment in three or more installments; in which case payment is made to the town, city or village treasurer. Any amounts paid after July 31 are paid to the county treasurer.

For municipalities which have not adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15 and February 20. For municipalities which have adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15, February 15, and the 15th day of each month following a month in which an installment payment is due. On or before August 20, the county treasurer must settle in full with the underlying 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, retaining any penalties or interest on the delinquencies for which it has settled. Since, in practice, all delinquent real estate taxes are withheld from the county's share of taxes, the district receives 100 percent of the real estate taxes it levies.

MADISON AREA TECHNICAL COLLEGE DISTRICT

PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago

Name of Business	Type of Business	2017			2008		
		Equalized Valuation	Rank	Percent of MATC Total Equalized Valuation	Equalized Valuation	Rank	Percent of MATC Total Equalized Valuation
Epic Systems Corporation	Medical Software	\$ 1,106,925,763	1	1.39 %	\$ 257,880,100	1	0.36 %
Madison Joint Venture	Shopping Centers	179,695,600	2	0.23	200,409,200	2	0.28
American Family Insurance	Insurance	146,437,800	3	0.18	158,571,700	3	0.22
Greenway Office Center, LLC	Property Management	127,026,514	4	0.16	124,258,500	5	0.17
Cornerstone New Fountain Holdings	Property Management	106,898,943	5	0.13			
Promega Corporation	Biotechnology	105,855,405	6	0.13			
Sub-Zero Wolf	Cooking Appliances	101,739,568	7	0.13	49,371,600	8	0.07
Core Campus Madison LLC	Property Development	97,320,000	8	0.12			
Covance Laboratories, Inc.	Research	74,955,000	9	0.09	83,529,500	6	0.12
CMFG Life Insurance Co	Insurance	51,377,500	10	0.06			
University Research Park	Research & Technology Park				142,299,600	4	0.20
Greenway Center LLC	Property Development				49,448,500	7	0.07
Hilldale Land Co LLC	Property Development				48,245,900	9	0.07
Firststar Bank & Leasing	Banking & Leasing				47,200,000	10	0.07
	Totals	<u>\$ 2,098,232,093</u>		<u>2.60 %</u>	<u>\$ 1,161,214,600</u>		<u>1.60 %</u>
	MATC Total Equalized Valuation	<u>\$ 79,598,973,839</u>			<u>\$ 72,174,175,738</u>		

Source: Dane County Tax System (provided by Dane County Treasurer's Office)

MADISON AREA TECHNICAL COLLEGE DISTRICT

ENROLLMENT STATISTICS
Last Ten Fiscal Years

Student Enrollment (a)								
Year	Aidable					Non-Aidable		Grand Total
	College Transfer	Associate Degree	Technical Diploma	Vocational Adult	Non-Post Secondary	Community Service		
2009	7,706	10,982	5,580	13,712	5,859	2,103	39,486	
2010	8,952	12,200	5,971	12,353	6,372	1,989	40,382	
2011	9,461	12,358	5,610	9,920	6,867	2,930	39,716	
2012	13,215	17,320	4,696	9,839	6,365	3,940	41,509	
2013	11,032	14,872	3,641	6,384	4,308	3,968	33,199	
2014	10,870	14,474	3,309	9,383	6,647	4,853	36,714	
2015	10,362	13,862	3,326	8,460	6,481	4,796	34,405	
2016	10,304	16,040	3,407	9,323	6,061	4,652	37,351	
2017	9,633	15,327	3,072	7,837	5,886	3,426	33,466	
2018	9,183	15,177	2,841	8,533	6,128	3,474	34,145	

Full-time Equivalents (b)								
Year	Aidable					Non-Aidable		Total
	College Transfer	Associate Degree	Technical Diploma	Vocational Adult	Non-Post Secondary	Total Aidable	Community Service	
2009	3,237	4,465	1,039	277	531	9,549	55	9,604
2010	3,683	5,199	1,071	270	541	10,764	48	10,812
2011	3,844	5,329	1,042	216	551	10,982	68	11,050
2012	3,806	5,083	939	226	535	10,589	83	10,672
2013	3,794	4,872	930	205	555	10,356	89	10,445
2014	3,690	4,660	893	197	554	9,994	88	10,081
2015	3,616	4,614	869	206	561	9,866	86	9,952
2016	3,586	4,804	837	217	508	9,951	81	10,033
2017	3,335	4,588	712	167	461	9,262	69	9,331
2018	3,236	4,487	698	191	500	9,112	70	9,182

Notes:

- (a) Student enrollment represents the unduplicated count of citizens enrolled in District courses. A student may be enrolled in more than one program, but is counted only once in the Grand Total. Therefore, the Grand Total column does not equal the sum of the individual programs.
- (b) A full-time equivalent (FTE) is basically equal to 30 annual student credits based on a mathematical calculation, which varies somewhat by program and which is subject to state approval and audit of student and course data.

MADISON AREA TECHNICAL COLLEGE DISTRICT

SCHEDULE OF PER CREDIT PROGRAM FEES CHARGED

Last Ten Fiscal Years

Year	College Transfer		Post Secondary Vocational Adult		Non-Aidable	
	Resident	(1)	Resident	(1)	Under Age 60*	60 and Over*
2008-09	131.50	365.55	97.05	594.25	130.96	98.22
2009-10	136.10	204.15	101.40	152.10	130.96	104.76
2010-11	142.20	213.30	106.00	159.00	130.96	104.76
2011-12	150.00	225.00	111.85	167.80	137.51	110.00
2012-13	158.25	237.38	116.90	175.35	162.52	130.00
2013-14	165.40	248.10	122.20	183.30	187.82	150.26
2014-15	170.35	255.55	125.85	188.80	210.00	168.00
2015-16	173.75	260.63	128.40	192.60	260.00	208.00
2016-17	176.35	264.53	130.35	195.53	260.00	208.00
2017-18	178.80	268.20	132.20	198.30	260.00	208.00

Additional Per Credit Fees

Material Fees

Fees for instructional materials consumed by students and instructors are required by s.38.24(1)(c), Wisconsin Statutes. These material fees are to be charged to all students on a uniform basis unless exempted by state statute, administrative code, or State Board action. There are material fee categories ranging from \$4.50 per credit to \$70 per credit. Courses are assigned to one of the material fee categories based on the amount of instructional materials required for the course. The minimum fee that is to be charged for any non-exempt enrollment is \$4.50, regardless of the credit value.

Supplemental Fee

A supplemental fee is charged to all students enrolling in post-high school courses at Madison campus locations. This fee is charged per s.38.14(9), Wisconsin Statutes and provides access to the MATC Fitness Center and supports co-curricular activities and programming, including student newspapers, athletics, performing arts, Student Senate, leadership programs, clubs and associations, the Programs and Activities Council, and the Student Life Office. The fee was set at \$10.97 per credit for all semesters. For Regional Campuses, the fee is \$3.25 per credit for Fall and Spring semesters.

There is also a \$46.00 transportation supplemental fee charged to students taking at least one degree class at a Madison location during the Fall/Spring semesters to cover the costs of the Madison Bus and Paratransit program. The fee for the Summer semester is \$26.00.

Academic Achievement Fee

This \$1.32 per credit fee is charged for degree credit classes only. Fees provide expanded service hours, personnel and self-service and online resources that support academic success at all campuses.

Online Course Fee

All online (internet-based) classes include a \$10 per credit fee.

*In 2009-10, the Non-Aidable rate changed from 62 and over to 60 and over for discounted rate

Notes:

(1) The total per credit cost requires adding the resident fee to out-of-state tuition. In addition, out-of-state tuition excludes those students covered by reciprocal agreements.

MADISON AREA TECHNICAL COLLEGE DISTRICT

RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	District Population ⁽¹⁾	Equalized Valuation - TID In	General Obligation Notes and Bonds	Premiums on Notes and Bonds	Capital Lease	Net Total Debt ⁽²⁾		
						Amount	Percent of Equalized Valuation	Per Capita
2009	732,614	74,743,927,788	27,115,000	-	89,410	27,204,410	0.04	37
2010	728,400	75,068,218,893	37,550,000	-	82,587	37,632,587	0.05	52
2011	732,341	72,854,834,126	104,245,000	2,098,026	76,146	106,419,172	0.15	145
2012	741,012	71,917,515,430	161,525,000	6,245,715	70,067	167,840,782	0.23	227
2013	740,541	70,547,400,399	173,800,000	7,415,935	64,329	181,280,264	0.26	245
2014	744,676	70,405,217,759	167,705,000	7,584,224	58,912	175,348,136	0.25	235
2015	749,725	72,677,959,625	174,145,000	8,122,006	53,799	182,320,805	0.25	243
2016	756,312	75,522,264,359	174,310,000	8,386,753	48,973	182,745,726	0.24	242
2017	775,673	78,612,374,268	171,125,000	8,368,585	44,417	179,538,002	0.23	231
2018	783,061	83,702,047,239	166,755,000	13,081,161	40,117	179,876,278	0.21	230

Notes:

(1) Calculated by district staff from information supplied by ESRI (founded as Environmental Systems Research Institute, Inc.)

(2) Details regarding the District's outstanding debt can be found in the notes to the financial statements.

MADISON AREA TECHNICAL COLLEGE DISTRICT

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
For Year ended June 30, 2018

Name of Entity ⁽¹⁾	Net Debt Outstanding	Percent Applicable to District ⁽²⁾	Outstanding Debt Applicable to District
Adams County	\$ 7,175,000	16.73%	\$ 1,200,710
Columbia County	57,285,000	99.90%	57,225,471
Dane County	354,740,000	99.98%	354,680,492
Dodge County	30,575,000	18.34%	5,606,559
Green County	21,739,564	24.22%	5,264,705
Iowa County	1,851,224	15.36%	284,304
Jefferson County	14,965,000	87.85%	13,147,174
Juneau County	20,388,260	9.33%	1,901,416
Marquette County	12,175,057	98.00%	11,931,761
Richland County	24,990,000	7.20%	1,799,927
Rock County	38,130,000	0.19%	72,700
Sauk County	16,615,000	98.56%	16,375,626
Total Cities	987,093,469	Varies	894,112,982
Total Villages	246,975,422	Varies	236,580,142
Total Towns	14,968,985	Varies	14,968,985
Total School Districts	1,191,952,700	Varies	1,061,316,092
Madison Metropolitan Sewerage District	122,341,708	100.00%	122,341,708
Subtotal, overlapping debt			2,798,810,754
District Direct Debt			
General Obligation Notes			75,840,000
General Obligation Bonds			90,915,000
Premiums on Notes and Bonds			13,081,161
Capital Lease			40,117
Subtotal, District direct debt			179,876,278
Total direct and overlapping debt			<u>\$ 2,978,687,032</u>

Statistical Summary

2017 Equalized Valuation - TID In	<u>\$ 83,702,047,239</u>
Direct District Indebtedness	179,876,278
Overlapping and Underlying Bonded Indebtedness	<u>2,798,810,754</u>
Total Direct, Overlapping and Underlying Indebtedness	<u>\$ 2,978,687,032</u>
Direct, Overlapping and Underlying Indebtedness as a Percentage of Equalized Valuation	3.56%
Population of District	783,061
Direct, Overlapping and Underlying Indebtedness - Per Capita	<u>\$ 3,803.90</u>

Source: PMA, Inc

Notes:

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses located in the District boundaries. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.
- (2) The percentage of overlapping debt applicable to the District is the equalized property value of property of the overlapping government located in the District as a percentage of total equalized value of all property for the overlapping government.

MADISON AREA TECHNICAL COLLEGE DISTRICT

LEGAL DEBT MARGIN INFORMATION

Legal Debt Margin Calculation for Fiscal Year 2018	5% <u>Debt Limit</u>	2% <u>Debt Limit</u>
2017 Equalized Valuation - TID In	\$ 83,702,047,239	\$ 83,702,047,239
	x 5%	x 2%
Total debt limit - 5% of equalized valuation	<u>4,185,102,362</u>	<u>1,674,040,945</u>
Debt applicable to limit:		
General obligation notes	75,840,000	75,840,000
General obligation bonds	90,915,000	90,915,000
Less: debt service funds available (GAAP Basis)	<u>(3,057,209)</u>	<u>(3,057,209)</u>
Total amount of debt applicable to debt limit	<u>163,697,791</u>	<u>163,697,791</u>
Legal total debt margin	<u><u>\$ 4,021,404,571</u></u>	<u><u>\$ 1,510,343,154</u></u>

Legal Debt Margin, Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total net debt applicable to the limit</u>	<u>Legal debt margin</u>	<u>Total net debt applicable to the limit as a percentage of debt limit</u>
2009	3,737,196,389	27,204,410	3,709,991,979	0.73
2010	3,753,410,945	37,632,587	3,715,778,358	1.00
2011	3,642,741,706	102,424,455	3,540,317,251	2.81
2012	3,595,875,772	157,129,718	3,438,746,054	4.37
2013	3,527,370,020	170,521,512	3,356,848,508	4.83
2014	3,520,260,888	166,663,163	3,353,597,725	4.73
2015	3,633,897,981	172,390,261	3,461,507,720	4.74
2016	3,776,113,218	172,190,549	3,603,922,669	4.56
2017	3,930,618,713	168,841,623	3,761,777,090	4.30
2018	4,185,102,362	163,697,791	4,021,404,571	3.91

* The Wisconsin State Statutes Chapter 67.03(1) provides that the aggregate amount of indebtedness of a District shall not exceed 5% of the value of the taxable property located in the District.

**The maximum bonded indebtedness of the District for purchasing and constructing buildings and equipment may not exceed 2% of the value of the taxable property within the District.

MADISON AREA TECHNICAL COLLEGE DISTRICT

DEMOGRAPHIC STATISTICS FOR DANE, JEFFERSON AND SAUK COUNTIES⁽¹⁾
Historical Comparisons

Year	District Population ⁽³⁾	County Population ⁽²⁾			Personal Income ⁽⁵⁾	Per Capita Personal Income ⁽⁴⁾			Unemployment Rate ⁽⁶⁾		
		Dane	Jefferson	Sauk		Dane	Jefferson	Sauk	Dane	Jefferson	Sauk
2009	732,614	473,622	81,310	61,338	26,189,261	43,895	33,164	34,637	6.6	9.8	8.0
2010	728,400	474,839	81,362	61,481	27,216,385	45,106	34,824	36,040	5.9	8.8	7.3
2011	732,341	489,331	83,794	61,942	28,499,057	46,916	35,016	36,782	6.0	8.7	7.4
2012	741,012	491,555	83,857	61,994	30,459,536	49,479	36,740	38,998	5.6	8.0	6.9
2013	740,541	497,021	83,940	62,041	31,947,648	51,341	37,950	40,524	4.9	7.0	5.8
2014	744,676	502,251	83,974	62,092	32,515,843	51,523	39,495	40,745	4.1	6.1	4.9
2015	749,725	508,384	84,255	62,207	34,354,201	53,705	40,761	43,763	3.3	4.2	3.7
2016	756,312	518,537	84,262	62,187	35,688,394	55,232	41,698	44,037	2.8	3.9	3.1
2017	775,673	524,775	84,412	62,240	(7)	(7)	(7)	(7)	2.6	3.2	2.9
2018	783,061	530,519	84,352	62,822	(7)	(7)	(7)	(7)	2.4	3.0	2.3

Notes:

- (1) Dane, Jefferson and Sauk Counties are the most populous counties in the district. The majority of these counties are within the district. The district includes almost all of five (5) counties and parts of seven (7) other counties. These three counties comprise 88% of the district's total equalized valuation.
- (2) Source: Wisconsin Department of Administration, Demographic Services Center.
- (3) Calculated by District staff from information supplied by ESRI GIS software.
- (4) Source: US Department of Commerce, Bureau of Economic Analysis.
- (5) Source: US Department of Commerce, Bureau of Economic Analysis. Total includes Dane, Jefferson, and Sauk counties only. Amounts in thousands.
- (6) Source: Wisconsin Department of Workforce Development. 2018 Unemployment rates are as of July 2018.
- (7) Information not yet available.

MADISON AREA TECHNICAL COLLEGE DISTRICT

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Name of Business	County	Type of Business	2018 ⁽¹⁾			2009 ⁽²⁾		
			Number of Employees	Rank	Percent of District Population	Number of Employees	Rank	Percent of District Population
University of Wisconsin-Madison	Dane	University/College	21,752	1	2.78 %			
State of Wisconsin (3)	Dane	State Government	16,450	2	2.10	47,237	1	6.45 %
EPIC Systems	Dane	Medical Software	9,400	3	1.20	3,168	9	0.43
UW Hospital and Clinics	Dane	Hospital/Health Care	6,000	4	0.77	6,000	2	0.82
American Family Insurance	Dane	Insurance	4,473	5	0.57	3,034	10	0.41
City of Madison	Dane	Municipal Government & Services	3,639	6	0.46			
Madison Metropolitan School District	Dane	Education	3,592	7	0.46	4,006	4	0.55
The District	Dane	Education	3,567	8	0.46			
UnityPoint Health - Meriter	Dane	Hospital, clinics & home care services	3,500	9	0.45			
Dane County	Dane	Municipal Government & Services	2,888	10	0.37	4,177	3	0.57
U.S. Government	Dane	Government				3,800	5	0.52
Oscar Mayer Foods (Kraft Foods)	Dane	Food Packaging				3,500	6	0.48
UW Medical Foundation	Dane	UW Medical School				3,281	7	0.45
WPS Insurance Corporation	Dane	Health Benefits/Insurance				3,219	8	0.44
			<u>Total</u>		<u>9.61 %</u>	<u>81,422</u>		<u>11.11 %</u>

Notes:

(1) Source: PMA, Inc. via Madison Area Technical College General Obligation Promissory Notes, Series 2017-18C, dated 5/23/18

(2) Source: Madison College's Comprehensive Annual Financial Report for year ended June 30, 2009

(3) For 2009, the State of Wisconsin included State of Wisconsin, University of Wisconsin and University Hospital employees.

MADISON AREA TECHNICAL COLLEGE DISTRICT

FULL TIME EMPLOYEES BY EQUAL EMPLOYMENT OPPORTUNITY CLASSIFICATION
Last Ten Fiscal Years

	Full Time Employees as of June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>District Total:</u>										
Administrative	95	103	86	81	98	101	102	105	93	86
Faculty Instructors	454	470	473	474	440	450	446	448	451	439
Professional Non-faculty	26	22	18	16	3	4	11	11	7	8
Clerical/Secretarial	130	130	130	131	116	117	127	135	141	139
Technicians/Para-professional	235	222	216	194	218	209	205	184	180	174
Service/Maintenance	68	66	59	57	54	60	67	73	61	59
	1,008	1,013	982	953	929	941	958	956	933	905

Source: Equal Opportunity/Affirmative Action Program data

MADISON AREA TECHNICAL COLLEGE DISTRICT

OPERATIONAL EXPENDITURES PER FULL-TIME EQUIVALENT (FTE) STUDENT
Last Ten Fiscal Years

Year	Operational Expenditures ⁽³⁾ (General and Special Revenue-Aidable Funds)		Student Enrollments		MATC Operational Expenditures per Student		Statewide Operational Costs per Student	
	Amount (in thousands)	Percent Increase/ (Decrease)	Full-Time Equivalent Students	Percent Increase/ (Decrease)	Per FTE Students	Percent Increase/ (Decrease)	Per FTE Students	Rank (1)
2009	128,887	6.6	9,604	1.9	13,420	4.7	13,367	8
2010	144,004	11.7	10,812	12.6	13,277	(1.1)	12,652	12
2011	151,943	5.5	11,050	2.2	13,750	3.6	13,010	12
2012	146,733	(3.4)	10,672	(3.4)	13,749	(0.0)	13,320	10
2013	156,006	6.3	10,445	(2.1)	14,936	8.6	14,005	12
2014	155,763	(0.2)	10,081	(3.5)	15,451	3.5	14,926	9
2015	158,985	2.1	9,952	(1.3)	15,975	3.4	15,618	9
2016	159,699	0.4	10,033	0.8	15,918	(0.4)	15,635	9
2017	157,671	(1.3)	9,331	(7.0)	16,898	6.2	16,181	13
2018	161,141	2.2	9,182	(1.6)	17,550	3.9	(2)	(2)

(1) Rank among 16 WTCS districts. (#1 is the lowest)

(2) Not yet available.

(3) For purposes of this computation, operational expenditures is based on the budgetary expenditures from the District's General and Special Revenue-Aidable funds. The State removes payments for prior service costs to the Wisconsin Retirement System. There are also various other adjustments that the State makes for this computation which are immaterial and not considered here.

MADISON AREA TECHNICAL COLLEGE DISTRICT

PROGRAM GRADUATE FOLLOW-UP STATISTICS ⁽¹⁾
Last Ten Fiscal Years

<u>Year</u>	<u>Number of Graduates</u>	<u>Total Number Available for Employment</u>	<u>Percent Employed</u>	<u>Percent Employed in Related Occupations</u>	<u>Percent Employed in District</u>	<u>Average Monthly Salary</u>	<u>Graduates Satisfied or Very Satisfied w/Training</u>
2008	3,325	1,841	93	75	82	2,695	97
2009	3,215	1,614	89	70	81	2,611	97
2010	3,802	2,044	87	65	81	2,576	97
2011	3,911	1,969	88	64	74	2,462	97
2012	3,962	1,850	88	68	80	2,746	97
2013	3,640	1,779	89	64	74	2,827	97
2014	3,177	1,511	92	71	76	2,944	98
2015	3,231	1,665	92	74	71	3,229	98
2016	3,154	1,885	92	73	65	3,244	96
2017	3,190	1,771	93	74	76	3,332	97

Notes:

(1) Based on survey of MATC District graduates conducted by MATC's Institutional Research & Effectiveness Department approximately six months after graduation. Statistics include only graduates of the district's post-secondary (vocational/technical) programs.

MADISON AREA TECHNICAL COLLEGE DISTRICT

SQUARE FOOTAGE OF DISTRICT FACILITIES
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
MC-Madison										
District Administration (1)	-	-	14,265	14,265	14,265	18,506	18,506	18,506	18,506	18,506
Truax Campus	-	-	-	-	-	-	852,320	852,320	852,320	851,920
Main Building	1,023,434	1,023,434	1,009,169	1,009,169	1,009,169	1,009,169	-	-	-	-
Health Education Building	176,933	176,933	176,933	176,933	176,933	176,933	-	-	-	-
Protective Services Building	81,410	81,410	81,410	81,410	81,410	81,410	-	-	-	-
Animal Holding	5,577	5,577	5,577	5,577	5,577	5,577	-	-	-	-
Downtown Education Center	204,158	204,158	204,158	204,158	204,158	204,158	204,158	204,158	204,158	204,158
Commercial Avenue Education Center										
Building A	72,838	72,838	72,838	72,838	72,838	72,838	72,838	72,838	72,838	72,838
Building B	37,240	37,240	37,240	37,240	37,240	37,240	37,240	37,240	37,240	37,240
Fire Training Facilities	-	-	-	-	14,265	14,265	14,056	14,056	14,056	14,056
Goodman Recreation Facilities										
Softball	4,065	-	-	-	-	-	-	-	-	-
Soccer	909	-	-	-	-	-	-	-	-	-
MC-North Property										
North Court	118,000	118,000	118,000	118,000	118,000	119,559	119,559	119,559	-	-
Penske Building	19,163	19,163	19,163	19,163	19,163	19,163	19,160	19,160	-	-
Sub-Total	1,743,727	1,738,753	1,738,753	1,738,753	1,753,018	1,758,818	1,337,837	1,337,837	1,199,118	1,198,718
MC-Fort Atkinson Campus	36,840	36,840	36,840	36,840	36,840	36,840	28,840	28,840	28,840	28,840
MC-Portage Campus	17,982	17,982	17,982	17,982	17,982	17,982	15,655	15,655	15,655	15,655
MC-Reedsburg Campus	29,559	29,559	29,559	29,559	29,559	29,559	19,782	19,782	19,782	19,782
MC-Watertown Campus	37,441	37,441	37,441	37,441	37,441	37,441	24,441	24,441	24,441	24,441
MC-Emergency Vehicle Operator Course (EVOC)	12,357	-	-	-	-	-	-	-	-	-
Sub-Total	134,179	121,822	121,822	121,822	121,822	121,822	88,718	88,718	88,718	88,718
Other (Leased)										
Community Development Authority	-	-	-	-	-	-	-	-	4,850	4,850
Foundation Centre, 3591 Anderson Street	34,135	34,135	34,135	34,135	34,135	34,135	-	-	-	-
McAllen Center, 1802 Wright St	-	-	-	-	12,000	12,000	12,000	12,000	11,000	11,000
McAllen Center, 3513 Anderson, Suite 112	-	-	-	-	1,580	1,580	1,580	1,580	1,580	1,580
McAllen Center, 3513 Anderson, Suite 108	-	-	-	-	2,385	2,385	2,385	2,385	2,385	2,385
PacJet Financial Ltd.	-	-	-	-	-	-	482	-	600	600
Portage Enterprise Center Suite A	3,750	3,750	3,750	3,750	2,500	2,500	2,500	2,500	-	-
Portage Enterprise Center Suite A Addition	3,900	3,900	3,900	3,900	-	-	-	-	-	-
Renewal Unlimited	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380
Sauk County W. Square Ctr	-	-	-	378	378	378	-	-	-	-
South Madison Center (Village on Park)	12,287	12,287	12,287	12,287	12,287	12,287	11,552	8,614	8,614	8,614
MC West-Old (Gammon Address)	-	-	-	101,379	101,379	101,379	101,379	101,379	101,379	58,006
MC West-New (Excelsior Address)	12,843	12,843	12,843	-	-	-	-	-	-	-
TEC Center	-	-	-	-	-	-	-	-	-	-
Village of Plain, 510 Green Blvd	-	-	-	1,490	1,490	1,490	-	-	-	-
Sub-Total	68,295	68,295	68,295	158,699	169,514	169,514	133,258	129,838	131,788	88,415
Total Square Footage	1,946,201	1,928,870	1,928,870	2,019,274	2,044,354	2,050,154	1,559,813	1,556,393	1,419,624	1,375,851

Source: Madison College Office of Facility Services Director.

(1) With renovations during FY17, District Administration was annexed to the Main Building on Truax Campus.

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
LEGAL DESCRIPTION**

Columbia County less the portion of the School District of Markesan; Dane County less the portion of the Barneveld School District and the Pecatonica Area School District; Jefferson County less the portion of the Oconomowoc Area School District, the Palmyra-Eagle Area School District and the School District of Kettle Moraine; Marquette County less the portion of the School District of Princeton and the School District of Markesan; Sauk County less the portion of the School District of Hillsboro, the School District of Ithaca and the School District of Weston; plus the portion of the School District of Wisconsin Dells in Adams County; the Columbus School District, the Randolph School District, the Waterloo School District and the Watertown Unified School District in Dodge County; the School District of Belleville, the School District of New Glarus and the Oregon School District in Green County; the Wisconsin Heights School District, the Mount Horeb Area School District and the River Valley School District in Iowa County; the School District of Reedsburg, the School District of Wisconsin Dells and the School District of Wonewoc and Union Center in Juneau County; the River Valley School District and the School District of Wonewoc and Union Center in Richland County; and the Oregon School District and the Stoughton Area School District in Rock County.

Madison Area Technical College - Madison

Truax - Main District Campus, 1701 Wright Street,
Madison, Wisconsin 53704

Downtown Education Center, 211 North Carroll Street
Madison, Wisconsin 53703

Commercial Avenue Education Center, 2125 Commercial Avenue,
Madison, Wisconsin 53704

Fire Service Education Center, 1750 Pearson Street,
Madison, Wisconsin 53704

South Madison Education Center, 2238 South Park Street
Madison, Wisconsin 53713

West Madison Education Center, 8017 Excelsior Drive
Madison, Wisconsin 53717

Madison Area Technical College – Columbus

Emergency Vehicle Operator Instructional Facility
W2140 Krause Road, Columbus, Wisconsin, 53925

Madison Area Technical College - Fort Atkinson

827 Banker Road, Fort Atkinson, Wisconsin, 53538

Madison Area Technical College - Portage

330 Collins Street, Portage, Wisconsin 53901

Madison Area Technical College - Reedsburg

300 Alexander Avenue, Reedsburg, Wisconsin 53959

Madison Area Technical College - Watertown

1300 West Main Street, Watertown, Wisconsin 53098

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SINGLE AUDIT SECTION

Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) mandates independent financial and compliance audits of the federal award programs. The State of Wisconsin also stipulates that grantees who are required to have a federal single audit completed must include selected state award programs in the scope of the single audit. In addition to the required auditors' reports, the schedule of expenditures of federal and state awards and accompanying notes and schedule of findings and questioned costs are provided to support the requirements for compliance with Uniform Guidance and State of Wisconsin Single Audit Guidelines. The schedules provide more detailed financial information related to grant activity and other revenue.

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Assistance program	Federal catalog number	Grant number	Grant dates	Federal grant amount	Revenues			Passed Through to Sub-Recipients
					Federal	Match	Total Expenditures	
Department of Agriculture								
Child & Adult Care Food Program WI Department of Public Instruction Meal Reimbursement Child & Family Center	10.558	N/A	07/01/17 - 06/30/18	\$ 2,755	\$ 2,755	\$ -	\$ 2,755	\$ -
Total Department of Agriculture				\$ 2,755	\$ 2,755	\$ -	\$ 2,755	\$ -
Bureau of Indian Affairs								
Indian Education-Higher Education Grant Program	15.114	N/A	07/01/17 - 06/30/18	73,824	73,824	-	73,824	-
Total Bureau of Indian Affairs				\$ 73,824	\$ 73,824	\$ -	\$ 73,824	\$ -
Department of Labor								
Workforce Investment Act Cluster								
Workforce Investment Act Title 1 - Adult								
Workforce Development Board of South Central Wisconsin								
Training Navigator - Adult	17.258	17-593-2018-TN	07/01/17 - 06/30/18	198,547	191,945	-	191,945	-
Career Pathways - Adult		17-6200-2018-CP	07/01/17 - 06/30/18	175,149	149,070	-	149,070	-
Career Services - Adult		17-300-2018-CS	07/01/17 - 06/30/18	33,033	13,605	-	13,605	-
				406,729	354,620	-	354,620	-
Workforce Investment Act Title 1 - Youth								
Workforce Development Board of South Central Wisconsin								
Training Navigator-Out of School Youth	17.259	17-593-2018-TN	07/01/17 - 06/30/18	178,809	172,694	-	172,694	-
Training Navigator-In School Youth		17-593-2018-TN	07/01/17 - 06/30/18	10,000	9,626	-	9,626	-
Middle College - In School Youth		17-590-11-2018	07/01/17 - 06/30/18	128,716	94,671	-	94,671	-
Gateway to College - Out of School Youth		17-300-2018-OSY	07/01/17 - 06/30/18	56,000	56,000	52,000	108,000	-
				373,525	332,991	52,000	384,991	-
Workforce Investment Act Title 1 - Dislocated Worker								
Workforce Development Board of South Central Wisconsin								
Training Navigator - DLW	17.278	17-593-2018-TN	07/01/17 - 06/30/18	198,546	191,946	-	191,946	-
Career Pathways - DLW		17-6200-2018-CP	07/01/17 - 06/30/18	175,149	149,070	-	149,070	-
Career Services - DLW		17-300-2018-CS	07/01/17 - 06/30/18	33,033	13,605	-	13,605	-
				406,728	354,621	-	354,621	-
Total Workforce Investment Act Cluster				\$ 1,186,982	\$ 1,042,232	\$ 52,000	\$ 1,094,232	\$ -

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Assistance program	Federal catalog number	Grant number	Grant dates	Federal grant amount	Revenues			Passed Through to Sub-Recipients
					Federal	Match	Total Expenditures	
Department of Labor (continued)								
Employment and Training Administration Trade Adjustment Assistance Community College and Career (TAACCT) ACT For Healthcare	17.282	TC-26455-14-60-A-55	10/01/14 - 09/30/18	\$ 1,409,367	\$ 135,861	\$ -	\$ 135,861	\$ -
				1,409,367	135,861	-	135,861	-
Total Department of Labor				\$ 2,596,349	\$ 1,178,093	\$ 52,000	\$ 1,230,093	\$ -
Department of Transportation								
Pipeline and Hazardous Materials Safety Administration Hazardous Materials Public Sector Training and Planning Grants	20.703	N/A	07/01/17 - 06/30/18	10,214	10,214	-	10,214	-
Total Department of Transportation				\$ 10,214	\$ 10,214	\$ -	\$ 10,214	\$ -
National Science Foundation								
Education and Human Resources Bio-Link: National Technology Education Center for Biotechnology	47.076	DUE-1400721	09/01/14 - 06/30/18	425,999	75,246	-	75,246	-
Advanced Technology Education Scaling Implementation of Stem Cell Tech Ed		DUE-1501553	09/01/15 - 08/31/18	660,980	241,006	-	241,006	110,813
Center for Renewable Energy Advanced Technological Support Center (CREATE-SC)		DUE-1600934	07/01/16 - 06/30/20	1,598,881	335,777	-	335,777	198,842
Contextualize to Learn: Preparing Faculty Toward Math Contextualization for Student Success in ATE		DUE-1700625	06/01/17 - 05/31/20	150,000	46,133	-	46,133	-
Wisconsin Alliance for Minority Participation (WiscAMP) Peer Mentors and Professional Prep for STEM Careers		HRD-1400815	09/01/14 - 08/31/19	105,250	18,244	-	18,244	-
Louis Stokes Alliances for Minority Participation (LSAMP) LSAMP Inspire Scholars Program		HRD-1740898	07/01/17 - 06/30/19	277,005	108,996	-	108,996	-
Total National Science Foundation				\$ 3,218,115	\$ 825,402	-	\$ 825,402	\$ 309,656
Department of Veteran Affairs								
Post - 9/11 Veterans Educational Assistance	64.028	N/A	07/01/17 - 06/30/18	982,713	982,713	-	982,713	-
Total Department of Veteran Affairs				\$ 982,713	\$ 982,713	-	\$ 982,713	\$ -

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Assistance program	Federal catalog number	Grant number	Grant dates	Federal grant amount	Revenues			Passed Through to Sub-Recipients
					Federal	Match	Total Expenditures	
Department of Education (continued)								
Gateway-Northport Packer Apartment Corporation		59-007-149-159	07/01/17 - 06/30/18	42,242	42,242	-	42,242	-
Total Adult Education-Basic Grants to States				\$ 918,146	\$ 549,417	\$ 658,742	\$ 1,208,159	\$ -
Student Financial Assistance Cluster								
Federal Supplemental Educational Opportunity Grants	84.007							
Grants		N/A	07/01/17 - 06/30/18	385,595	289,196	96,399	385,595	-
Administrative Fee			07/01/17 - 06/30/18	656	656	-	656	-
				386,252	289,853	96,399	386,252	-
Federal Direct Student Loans	84.268							
Federal Direct Loans		N/A	07/01/17 - 06/30/18	23,642,340	23,642,340	-	23,642,340	-
Loans - Prior Year		N/A	07/01/16 - 06/30/17	226,221	226,221	-	226,221	-
Federal Direct PLUS Loans		N/A	07/01/17 - 06/30/18	158,393	158,393	-	158,393	-
Plus Loans - Prior Year		N/A	07/01/16 - 06/30/17	7,182	7,182	-	7,182	-
				24,034,136	24,034,136	-	24,034,136	-
Federal Work-Study Program	84.033							
Federal Work Study		N/A	07/01/17 - 06/30/18	256,569	254,870	1,699	256,569	-
FWS - Prior Year		N/A	07/01/16 - 06/30/17	-	-	-	-	-
Administrative Fee			07/01/17 - 06/30/18	12,828	12,828	-	12,828	-
				269,398	267,699	1,699	269,398	-
Federal Pell Grant Program	84.063							
Grants		N/A	07/01/17 - 06/30/18	13,175,354	13,175,354	-	13,175,354	-
Grants - Prior Year		N/A	07/01/16 - 06/30/17	49,526	49,526	-	49,526	-
Administrative Fee		N/A	07/01/17 - 06/30/18	20,135	20,135	-	20,135	-
Administrative Fee - Prior Year		N/A	07/01/16 - 06/30/17	1,095	1,095	-	1,095	-
				13,246,110	13,246,110	-	13,246,110	-
Total Student Financial Assistance Cluster				\$ 37,935,896	\$ 37,837,798	\$ 98,098	\$ 37,935,896	-

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Assistance program	Federal catalog number	Grant number	Grant dates	Federal grant amount	Revenues			Passed Through to Sub-Recipients	
					Federal	Match	Total Expenditures		
					134,815	134,815	-	134,815	
Department of Education (continued)									
TRIO - Student Support Services	84.042A	P042A151694	09/01/15 - 08/31/20	1,100,000	217,291	106,428	323,719	-	
				1,100,000	217,291	106,428	323,719	-	
Career and Technical Education - Basic Grants to States	84.048								
Wisconsin Technical College System									
Achieving Student Success		04-110-150-238	07/01/17 - 06/30/18	867,087	330,703	485,344	816,047	-	
Strengthening Career & Tech Ed Programs		04-111-150-258	07/01/17 - 06/30/18	117,871	116,397	-	116,397	-	
Tools for Tomorrow: Women in Trades		04-112-150-268	07/01/17 - 06/30/18	73,903	72,438	-	72,438	-	
Career Prep		04-113-150-218	07/01/17 - 06/30/18	61,371	61,369	-	61,369	-	
Promoting and Supporting High School to College Transitions		04-114-150-248	07/01/17 - 06/30/18	46,194	36,285	-	36,285	-	
				1,166,426	617,192	485,344	1,102,536	-	
Programs	84.016A								
Madison College Comprehensive Internationalization Initiative		P016A160033	10/01/16 - 09/30/18	184,268	45,561	79,897	125,458	-	
				184,268	45,561	79,897	125,458	-	
Strengthening Institutions Program (SIP)									
Pathways to Success: Title III	84.031F	P031F170084	10/01/17 - 09/30/22	3,000,000	356,474	-	356,474	-	
				3,000,000	356,474	-	356,474	-	
Fund for the Improvement of Postsecondary Education (FIPSE)									
Madison College Real Time Writers Project	84.116K	P116K140012	10/01/14 - 09/30/19	550,000	129,534	-	129,534	-	
				550,000	129,534	-	129,534	-	
HEP - Migrant Education	84.141A	S141A160028	07/01/16 - 06/30/21	1,842,672	351,641	-	351,641	-	
				1,842,672	351,641	-	351,641	-	
Total Department of Education				\$ 46,879,811	\$ 40,287,312	\$ 1,428,509	\$ 41,715,820	\$	-
Federal Emergency Management Agency									
FEMA Assistance to Firefighters	97.044	04-321-153-118	07/01/17 - 04/06/18	40,002	34,761	5,213	39,974	-	
Total Federal Emergency Management Agency				\$ 40,002	\$ 34,761	\$ 5,213	\$ 39,974	\$	-
Research and Development Cluster									
<u>National Science Foundation</u>									
Geosciences	47.050								
MRI: Development of a Modern Polar Climate and Weather Automated Observing System		DUE-PLR-1625904	09/01/16 - 08/31/18	603,427	102,438	-	102,438	-	10,177
<u>National Institutes of Health</u>									
Biomedical Research and Research Training									
CELLARA, LLC in support of a cloud-based software platform for stem cell research	93.859	1R41GM125489-01	09/15/17 - 08/31/18	77,035	52,235	-	52,235	-	
Total Research and Development Cluster				\$ 680,462	\$ 154,674	\$	\$ 154,674	\$	10,177
Total Federal Financial Awards				\$ 54,484,246	\$ 43,549,747	\$ 1,485,721	\$ 45,035,469	\$	319,832

MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICY

The accompanying Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

NOTE B - RECONCILIATION OF FEDERAL AWARDS TO THE BASIC FINANCIAL STATEMENTS

A schedule reconciling total federal awards to amounts reported in the basic financial statements follows:

Federal revenues from Schedule of Expenditures of Federal Awards	\$ 43,549,747
Federal grants revenue recognized in the statement of revenues, expenses and changes in net assets	\$ 19,515,611
Loans presented on the Schedule of Expenditures of Federal Other	24,034,136 -
	\$ 43,549,747

NOTE C - PROGRAMS NOT SUBJECT TO SINGLE AUDIT

The following programs are included on the Schedule of Expenditures of Federal Awards but are not subject to the Single Audit Act.

CFDA Number	Funding Agency	Name of Program	Amount
64.028	Department of Veteran Affairs	Veterans Educational Assistance	\$ 982,713

NOTE D - DE MINIMUS INDIRECT COST RATE

Madison Area Technical College has not elected to apply the De Minimus indirect cost allocation rate for the year ended June 30, 2018

NOTE E - ENDING OF YEAR LOAN BALANCE

The balance of outstanding loans as of 6/30/2018 is \$0, as Madison Area Technical College is not the lender for these loans made to students.

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended June 30, 2018

Assistance program	State catalog number	Grant number	Grant dates	Grant amount	Revenues		Total Expenditures	Passed Through to Sub-
					State	Match		
Wisconsin Department of Transportation								
	Statute							
Driver Education	20.395(4)(aq)							
Motorcycle Training-Basic Rider		60406-BRC1	07/01/17 - 06/30/18	\$ 69,185	\$ 40,932	\$ 35,263	\$ 76,195	\$ -
Motorcycle Training-Advanced Rider		60406-BRC2-ADV RIDER	07/01/17 - 12/31/17	610	329	699	1,028	-
Motorcycle Training-3 Wheel Basic		60406-3WBRC	01/01/17 - 12/31/17	1,240	499	231	730	-
Total Wisconsin Department of Transportation				\$ 71,035	\$ 41,760	\$ 36,194	\$ 77,954	\$ -
Higher Education Aids Board								
Wisconsin Higher Education Grant	235.102	N/A	07/01/17 - 06/30/18	2,271,482	2,271,482	-	2,271,482	-
Remission of Fees for Veterans & Dependents	235.105	N/A	07/01/17 - 06/30/18	105,766	105,766	-	105,766	-
Minority Retention Grant	235.107	N/A	07/01/17 - 06/30/18	19,280	19,280	-	19,280	-
Wisconsin Covenant Grant	235.108	N/A	07/01/17 - 06/30/18	34,190	34,190	-	34,190	-
Academic Excellence	235.109	N/A	07/01/17 - 06/30/18	15,750	7,875	7,875	15,750	-
Handicapped Assistance	235.112	N/A	07/01/17 - 06/30/18	3,600	3,600	-	3,600	-
Talent Incentive Program	235.114	N/A	07/01/17 - 06/30/18	72,600	72,600	-	72,600	-
Nursing Student Loans	235.117	N/A	07/01/17 - 06/30/18	10,500	10,500	-	10,500	-
Technical Excellence Program	235.119	N/A	07/01/17 - 06/30/18	212,030	106,016	106,014	212,030	-
Wisconsin Indian Grant	235.132	N/A	07/01/17 - 06/30/18	23,787	23,787	-	23,787	-
Total Higher Education Aids Board				\$ 2,768,985	\$ 2,655,096	\$ 113,889	\$ 2,768,985	\$ -
Wisconsin Technical College System Board								
Performance Based Aid	292.105	N/A	07/01/17 - 06/30/18	2,543,320	2,543,320	-	2,543,320	-
State Aids for Technical Colleges	292.105	N/A	07/01/17 - 06/30/18	8,355,600	8,355,600	-	8,355,600	-
Prior Year		N/A	07/01/16 - 06/30/17	117,200	117,200	-	117,200	-
				11,016,120	11,016,120	-	11,016,120	-
General Purpose Revenue (GPR) Grant Funds	292.124							
Systemwide Apprentice-Related Instruction						-		
Machinist, Tool & Die and Molding Stacked Program		04-322-124-118	07/01/17 - 06/30/18	15,000	14,462	-	14,462	-
Plumbing Apprenticeship Additional Sections		04-323-124-118	07/01/17 - 06/30/18	17,168	17,168	-	17,168	-
Sheetmetal Apprenticeship Additional Sections		04-324-124-118	07/01/17 - 06/30/18	15,041	14,641	-	14,641	-
Career Pathways								
Connections to Business/ASET Careers		04-310-124-128	07/01/17 - 06/30/18	533,333	389,068	129,689	518,757	-
Developing Markets								
Development of a Cloud Support Associate Two-Year Degree		04-313-124-148	07/01/17 - 06/30/18	112,550	112,401	-	112,401	-
Professional Development								
Madison College CETL - Professional Development		04-304-124-157	07/01/16 - 06/30/17	89,754	2,400	-	2,400	-
Madison College CETL - Professional Development		04-316-124-158	07/01/17 - 06/30/18	75,012	49,692	24,842	74,534	-
Student Support								
Student Support		04-317-124-168	07/01/17 - 06/30/18	300,000	196,950	65,650	262,600	-

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended June 30, 2018

Assistance program	State catalog number	Grant number	Grant dates	Grant amount	Revenues		Total Expenditures	Passed Through to Sub-
					State	Match		
Wisconsin Technical College System Board (continued)								
Core Industry								
Re-envisioning an Agriculture Education Model		04-311-124-148	07/01/17 - 06/30/18	\$ 120,726	\$ 120,726	\$ -	\$ 120,726	\$ -
Manufacturing Maintenance: Meeting the Demand		04-312-124-138	07/01/17 - 06/30/18	379,257	379,257	-	379,257	-
Captioning Leadership								
Cross-Functional Captioning Initiative		04-326-124-198	04/01/18 - 02/15/19	20,000	12,406	-	12,406	-
Student Success Center (SSC) Leadership Grant								
Madison College CARES Initiative		04-327-124-198	04/01/18 - 03/31/19	20,000	12,502	-	12,502	-
Workforce Advancement Training								
Manufacturing Quality Technician Certification Consortium		04-308-124-177	07/01/16 - 08/31/17	66,676	371	-	371	-
Providing Healthcare Workers with Essential Skills to Address Ongoing Challenges		04-318-124-178	07/01/17 - 08/31/18	87,230	82,159	-	82,159	-
Developing Hospitality Leaders for Industry Growth		04-319-124-178	07/01/17 - 08/31/18	87,584	61,191	-	61,191	-
Manufacturing Quality Consortium		04-320-124-178	07/01/17 - 08/31/18	139,840	128,416	-	128,416	-
Pass-Through Awards:								
Advanced Manufacturing-Southwest WI Technical College		04-325-124-188	07/01/17 - 06/30/18	32,438	32,364	-	32,364	-
				2,111,609	1,626,174	220,181	1,846,356	-
Property Tax Relief Aid	292.162	N/A	07/01/17 - 06/30/18	60,894,211	60,894,211	-	60,894,211	-
				60,894,211	60,894,211	-	60,894,211	-
Fire Service Operations	292.137							
Fire Fighter Training 2%		N/A	07/01/17 - 06/30/18	113,377	113,377	-	113,377	-
				113,377	113,377	-	113,377	-
Total Wisconsin Technical College System Board				\$ 74,135,317	\$ 73,649,883	\$ 220,181	\$ 73,870,064	\$ -
Wisconsin Department of Corrections								
Construction Academy	309.55.05	10039-V18-RLH6601-ING-0	04/16/18 - 7/27/18	46,000	45,667	-	45,667	-
Total Wisconsin Department of Corrections				\$ 46,000	\$ 45,667	\$ -	\$ 45,667	\$ -
Wisconsin Department of Natural Resources								
Aid in Lieu of DNR Property Taxes	370.503	N/A	07/01/17 - 06/30/18	91,131	91,131	-	91,131	-
Total Wisconsin Department of Natural Resources				\$ 91,131	\$ 91,131	\$ -	\$ 91,131	\$ -
Wisconsin Department of Revenue								
State Aid-Computers	835.109	N/A	07/01/17 - 06/30/18	584,664	584,664	-	584,664	-
Total Wisconsin Department of Revenue				\$ 584,664	\$ 584,664	\$ -	\$ 584,664	\$ -
Total State Financial Awards				\$ 77,697,132	\$ 77,068,200	\$ 370,264	\$ 77,438,464	\$ -

MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended June 30, 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICY

The accompanying Schedule of Expenditures of State Awards is prepared on the accrual basis of accounting.

NOTE B - RECONCILIATION OF STATE AWARDS TO THE BASIC FINANCIAL STATEMENTS

A schedule reconciling total state awards to amounts reported in the basic financial statements follows:

State revenues from Schedule of Expenditures of State Awards	<u>\$</u>	<u>77,068,200</u>
State grants revenue is presented on the basic financial statements as follows:		
Operating	\$	4,482,074
Non-operating		72,586,126
Other		<u>-</u>
	<u>\$</u>	<u>77,068,200</u>

NOTE C - PROGRAMS NOT SUBJECT TO SINGLE AUDIT

The following programs are included on the Schedule of Expenditures of State Awards but are not subject to the Single Audit Act.

ID Number	Funding Agency	Name of Program	Amount
20.395(4)(aq)	Department of Transportation	Motorcycle Training	\$ 77,954
		Remission of Fees for Veterans and Dependents	105,766
235.105	Higher Education Aids Board		
	Department of Natural Resources	Aid in Lieu of DNR Property Taxes	91,131
370.503	Resources		
835.109	Department of Revenue	State Aid - Computers	584,664

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
47.076	Education and Human Resources Grant
<i>Student Financial Assistance Cluster</i>	
84.007	Federal Supplemental Educational Opportunity Grants
84.268	Federal Direct Student Loans
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program

- Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000
- Auditee qualified as low-risk auditee? X yes _____ no

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

Section I – Summary of Auditors’ Results (continued)

State Financial Assistance

1. Internal control over state projects:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified
that are not considered to be
material weakness(es)? X yes _____ none reported

2. Type of auditors’ report issued on
compliance for state projects: Unmodified

3. Any audit findings disclosed that are
required to be reported in accordance
with state requirements? X yes _____ no

Identification of Major State Projects

CSFA Number(s)	Name of State Project
235.102	Wisconsin Grant for Technical Colleges
235.112	Handicapped Assistance
292.105	State Aids for Technical Colleges
292.105	Performance Based Aid
292.124	General Purpose Revenue (GPR) Grants
292.162	Property Tax Relief Aid

Dollar threshold used to distinguish between
Type A and Type B state projects: \$ 250,000

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal and State Programs

2018 – 001

State agency: Wisconsin Higher Education Aids Board

State program title: Wisconsin Grant for Technical Colleges

State ID Number: 235.102

Award Period: July 1, 2017 – June 30, 2018

Type of Finding:

- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: Wisconsin State Statute 35.93(HEA5.01) requires that all students must be enrolled at least half-time, as determined by the institution in which the student is enrolled, to be eligible to receive the Wisconsin Grant for Technical Colleges. The Wisconsin State Single Audit Guideline, Higher Education Aids Board Appendix clarifies that this enrollment requirement is applicable at the time funds are disbursed.

Condition: We identified that one (1) of one hundred and thirty-eight (138) students tested was not enrolled at least half-time at the time funds were disbursed.

Questioned costs: \$542

Context: The student identified was enrolled at least half-time at the College's Pell Recalculation Date, also known as the college's census date. However, the student dropped below half time enrollment prior to the disbursement date of the Wisconsin Grant for Technical Colleges. As such, the student did not meet all eligibility requirements at the time of disbursement.

Cause: The College interpreted Wisconsin State Statute, and Wisconsin Higher Education Aids Board communication, to indicate the student's enrollment for this grant should be determined at the College's Pell Recalculation Date, which due to the nature of the vouchering and funding process for this grant, maybe different from the disbursement date. The College did not recheck the student's enrollment at the date of disbursement if it was after the Pell Recalculation Date.

Effect: One student received funding under the grant that was not eligible to have been awarded funds.

Repeat Finding: No

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

Recommendation: We recommend that the College design and implement controls to ensure that students continue to be eligible at the time funds are disbursed.

Views of responsible officials: There is no disagreement with the audit finding.

Section IV – Other Issues

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

Does the auditor's report show audit issues (i.e. material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants\contracts with funding agencies that require audits to be in accordance with the State Single Audit Guidelines:

 Technical College System Board: Yes

Was a management letter or other document conveying audit comments issued as a result of this audit? No

Name and signature of Director:



Shannon Small, CPA

Date of report:

December 5, 2018



**INDEPENDENT AUDITORS' 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
Madison Area Technical College District
Madison, Wisconsin

We have audited, in accordance with the 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 Madison Area Technical College District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Madison Area Technical College District's basic financial statements, and have issued our report thereon dated December 5, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 5, 2018



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE AND THE WISCONSIN STATE SINGLE AUDIT
GUIDELINES**

District Board
Madison Area Technical College District
Madison, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited the Madison Area Technical College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Wisconsin State Single Audit Guidelines* that could have a direct and material effect on each of the Madison Area Technical College District's major federal and major state programs for the year ended June 30, 2018. The Madison Area Technical College District's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Madison Area Technical College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and the *Wisconsin State Single Audit Guidelines* and which is described in the accompanying schedule of findings and questioned costs as items 2018-001. Our opinion on each major federal and major state program is not modified with respect to this matter.

The Madison Area Technical College District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Madison Area Technical College District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002, which we consider to be significant deficiencies.

The Madison Area Technical College District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Madison Area Technical College District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 5, 2018



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