

**DECEMBER 4, 2017 ADDENDUM**

**TO**

**PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 29, 2017**

**RELATING TO:**

**\$54,655,000\***

**MADISON AREA TECHNICAL COLLEGE DISTRICT, WISCONSIN (THE "DISTRICT")  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017**

This addendum should be affixed to and considered part of the Preliminary Official Statement.

The Preliminary Official Statement dated November 29, 2017 (the "Preliminary Official Statement") for the issue set forth above is supplemented as follows:

1. The following section entitled "THE DISTRICT - Enrollments" is updated to include the following note:

Note: The District's FTE enrollment figures for Fiscal Year 2015-16 and Fiscal Year 2016-17 differ from enrollment data found in the District's Comprehensive Annual Financial Reports for Fiscal Years ended June 30, 2016 and 2017 because those Comprehensive Annual Financial Reports include dually enrolled or otherwise special students in the enrollment figures. See "Appendix B - Comprehensive Annual Financial Report for the Year Ended June 30, 2016" and "Appendix E- Comprehensive Annual Financial Report for the Year Ended June 30, 2017" attached hereto.

2. The following sections entitled "THE DISTRICT - Pension Plan" and "THE DISTRICT - Other Post Employment Benefits" are updated to reflect numbers as shown in the draft of the District's Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2017.

### **Pension Plan**

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

District employees are required to contribute half of the actuarially determined contributions, and the District may not pay the employees' required contribution. The total retirement plan contributions (not including any employee contributions) for the fiscal years ended June 30, 2015 ("Fiscal Year 2015"), June 30, 2016 ("Fiscal Year 2016") and June 30, 2017 ("Fiscal Year 2017") were \$6,436,255, \$6,187,208 and \$6,141,285, respectively.

The District implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for Fiscal Year 2015.

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\* Preliminary, subject to change.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2016, the total pension liability of the WRS was calculated as \$93.4 billion and the fiduciary net position of the WRS was calculated as \$92.6 billion, resulting in a net pension liability of \$0.8 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2017, the District reported a liability of \$5,333,502 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2016 based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. The District's proportion was 0.6471% of the aggregate WRS net pension liability as of December 31, 2016.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note E in "Appendix E – Comprehensive Annual Financial Report for the Year Ended June 30, 2017" attached hereto.

Under District policy developed, in part, through the shared governance process, the District provides qualifying employees (those age 57 with 30 years of service to the District or those age 60 with 20 years of service to the District) in fiscal year 2017 with a one-time payment to the department of employee trust funds (WRS pension administrator) equal to the actuarial value difference between the monthly annuity they qualify to receive at retirement and the monthly annuity they would have been qualified to receive at retirement at age 65. The District offered this benefit through the end of fiscal year 2017. At the beginning of fiscal year 2017, an assessment of the early retirement benefit was completed and approved by the District which redefines the eligibility requirements and benefits for early retirees. Starting in fiscal year 2018 through fiscal year 2020, the early retirement minimum age and years of full-time service at the District was expanded to age 57 with at least 20 years of service to the District and age 60 with at least 15 years of service to the District. The actuarial age reduction payments made to the WRS will be discontinued for early retirees. The next review of the early retirement benefit will take place in fiscal year 2019 by the Benefits Committee, an existing shared governance-style committee.

## **Other Post-Employment Benefits**

The District provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the District and have satisfied specified eligibility standards through a single employer defined benefit plan. Membership of the plan consisted of 138 retirees receiving benefits and 1,002 active plan members as of July 1, 2015, the date of the latest actuarial valuation. The plan provides health insurance coverage to qualified retired plan members. For union members, the premium contribution requirements for the plan are established by District policy developed, in part, through the shared governance process. Qualified retired administrative staff receive the same health benefit.

OPEB calculations are required to be updated every two years and prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB") regarding retiree health and life insurance benefits, and related standards. The District's latest actuarial study was completed by Milliman Inc. in July 2016 with an actuarial valuation date of July 1, 2015 (the "Actuarial Study").

The District is required to expense the estimated yearly cost of providing post-retirement benefits and such annual accrual expense is referred to as the "annual required contribution." As shown in the District's Comprehensive Annual Financial Report, during the Fiscal Year 2017, the District's annual required contribution was \$1,360,740 and the District's annual OPEB cost was \$1,318,195. For Fiscal Year 2017, the District contributed \$1,934,000 to the plan, which was 142% of the annual required contribution. The District's funding policy is to provide the full amount of the single retiree required annual premium contributions on a "pay-as-you-go" basis.

As shown in the Actuarial Study, the plan's ratio of actuarial value of assets to actuarial accrued liability for benefits as of the most recent actuarial valuation date, July 1, 2015, was 0%. As of July 1, 2015, the actuarial accrued liability was \$16,246,198, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$16,246,198. For more detailed information, see Note F in "Appendix E – Comprehensive Annual Financial Report for the Year Ended June 30, 2017" attached hereto. The Actuarial Study is available from the District upon request.

3. Appendix E to the Preliminary Official Statement is hereby added:

**Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2017**

A draft of the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017 (the "2017 CAFR") contained in this Official Statement as Appendix E, including the independent auditor's report accompanying such financial statements, has been received by the District from CliftonLarsonAllen LLP, Milwaukee, Wisconsin, certified public accountants (the "Auditor"). The District expects the 2017 CAFR to be approved and accepted by the District Board on or about December 6, 2017. District staff has reviewed the 2017 CAFR and expects no changes to it in connection with its approval and acceptance by the District Board.

The District has not requested the Auditor to perform any additional examination, assessment or evaluation with respect to the 2017 CAFR since the date thereof, nor has the District requested that the Auditor consent to the use of the 2017 CAFR in this Official Statement. Although the inclusion of the 2017 CAFR in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the 2017 CAFR, in connection with the issuance of the Bonds, the District will represent and warrant there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such report misleading. If you have a specific question or inquiry relating to 2017 CAFR, including with respect to the financial information of the District since the date of the 2017 CAFR, please contact Laurie Grigg, Controller of the District.

Madison Area Technical College District, Wisconsin

# Comprehensive Annual Financial Report

for the fiscal years ended  
June 30, 2017 and 2016

UNAUDITED DRAFT  
For Discussion Purposes Only  
Subject to Change



**MADISON**  
AREA | TECHNICAL  
**COLLEGE**

[madisoncollege.edu](http://madisoncollege.edu)

**MADISON AREA TECHNICAL COLLEGE DISTRICT**  
Madison, Wisconsin  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
For the years ended June 30, 2017 and 2016

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**Current Members of the Board**

Joseph Hasler ..... Chairperson  
Arlyn Halvorson ..... Vice Chairperson  
Shiva Bidar-Sielaff ..... Treasurer  
Frances Huntley-Cooper ..... Secretary  
Elton Crim Jr. .... Member  
Kelly Crombie ..... Member  
Randy Guttenberg ..... Member  
Alex Hipler ..... 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  
Keith Cornille ..... Executive Vice President of Student Development & Success  
and Chief Student Service Officer  
Jeff Reeves ..... Vice President of Human Resources  
Tim Casper ..... Vice President of Institutional Learning and Effectiveness

**Official Issuing Report**

Mark Thomas ..... Vice President of Administrative Services  
and Chief Financial Officer

**Report Prepared By**

Laurie Grigg ..... Controller

**Assisted By**

Dorothy Conduah ..... Assistant Controller  
Alane Spatola ..... Financial Manager

**MADISON AREA TECHNICAL COLLEGE DISTRICT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For Years Ended June 30, 2017 and 2016**

**TABLE OF CONTENTS**

<b>Introductory Section:</b>	<u>Pages</u>
Transmittal Letter .....	1
Map of District .....	8
Certificate of Achievement for Excellence in Financial Reporting .....	9
Board Membership and Structure.....	10
Organizational Chart .....	11
<b>Financial Section:</b>	
Independent Auditors' Report.....	12
Management's Discussion and Analysis (required supplementary information).....	15
Basic Financial Statements:	
Statements of Net Position.....	24
Statements of Revenues, Expenses and Changes in Position .....	25
Statements of Cash Flows .....	26
Notes to Financial Statements .....	28
Required Supplementary Information:	
Other Postemployment Benefits and Pension Plan .....	60
Supplementary Information:	
General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual.....	62
Special Revenue Aidable Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual.....	63
Special Revenue Non-Aidable Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual.....	64

**MADISON AREA TECHNICAL COLLEGE DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For Years Ended June 30, 2017 and 2016

**TABLE OF CONTENTS, CONTINUED**

Pages

Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual .....	65
Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual.....	66
Enterprise Fund Schedule of Revenues, Expenditures and Changes in Net Position - Budget (Non-GAAP Budgetary Basis) and Actual .....	67
Internal Service Fund Schedule of Revenues, Expenditures and Changes in Net Position - Budget (Non-GAAP Budgetary Basis) and Actual .....	68
Schedule to Reconcile Budget (Non-GAAP Budgetary) Basis Financial Statements to Basic Financial Statements .....	69

**Statistical Section (Unaudited):**

**Financial Trends**

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

**Revenue Capacity**

Distribution of Real Property Value on an Equalized Basis - Columbia, Dane, Jefferson, Marquette, and Sauk Counties.....	75
Direct and Overlapping Property Tax Rates .....	76
Property Tax Levies and Collections .....	83
Principal Property Tax Payers .....	84
Enrollment Statistics.....	85
Schedule of Per Credit Program Fees Charged .....	86

**Debt Capacity**

Ratio of Outstanding Debt by Type.....	87
Computation of Direct and Overlapping Debt .....	88
Legal Debt Margin Information .....	89

**Demographic and Economic Information**

Demographic Statistics for Dane, Jefferson and Sauk Counties.....	90
Principal Employers .....	91

**Operating Information**

Full Time Employees by Equal Employment Opportunity Classification .....	92
Operational Expenditures per Full-Time Equivalent (FTE) Student.....	93
Program Graduate Follow-Up Statistics.....	94



**MADISON AREA TECHNICAL COLLEGE DISTRICT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For Years Ended June 30, 2017 and 2016**

**TABLE OF CONTENTS, CONTINUED**

Pages

Square Footage of District Facilities ..... 95  
District Legal Description..... 96

**Single Audit Section:**

Schedule of Expenditures of Federal Awards ..... 97  
Notes to Schedule of Expenditures of Federal Awards ..... 101  
Schedule of Expenditures of State Awards ..... 102  
Notes to Schedule of Expenditures of State Awards ..... 105  
Schedule of Findings and Questioned Costs ..... 106  
Schedule of Status of Prior Findings ..... 109

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 ..... 110

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 Wisconsin State Single Audit Guidelines ..... 112

UNAUDITED DRAFT  
For Discussion Purposes Only  
Subject to Change



December 6, 2017

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, 2017 and 2016, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the 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.

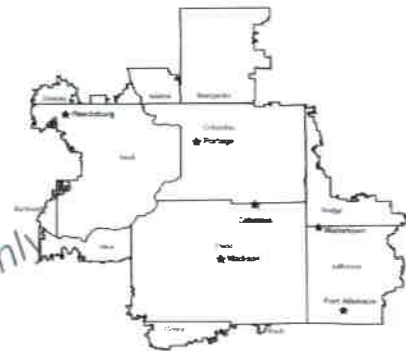
Madison College is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of Wisconsin Department of Administration publication, *State Single Audit Guidelines*. Information related to the requirements and compliance with this single audit can be found in the single audit section of this report.

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 2016-17 of \$78,612,374,268, and an estimated District population of 775,6373. 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 real-world smart, work-ready education through a comprehensive curriculum of technical, liberal arts and sciences, adult basic education and life enrichment studies and activities, as well as customized employee training. The college offers associate degrees, vocational diplomas and certificates, and non-degree courses in more than 140 programs of study. These offerings include 50 career and technical associate degrees, 3 college transfer associate degrees, 5 two-year technical diplomas, 29 one-year technical diplomas, 7 less-than-one-year technical diplomas, and 19 apprenticeship programs, as well as 70 certificates. Madison College also offers numerous other types of academic offerings such as basic skills education, customized training for specific businesses and adult continuing education.

In addition to these educational opportunities, Madison College is able to sponsor and develop a wide variety of training opportunities through institutes, seminars and workshops with cooperation from business and industry; public and private agencies; community groups, and other institutions of learning. Community service classes are also offered, which are non-credit, personal development, enrichment or recreational courses.

Madison College promotes a collaborative environment in which to provide better opportunities for individuals and to encourage economic development in the communities we serve. Our ability to respond to an ever changing environment allows individuals and businesses to continue to cultivate a good quality of life and economic sustainability.

The training provided by Madison College is essential for a new workforce that is technically prepared, but also adaptable, 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.

## **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 3.5% in February 2016 to 3.3% in February 2017. In comparison, the Wisconsin and U.S. rates for February 2017 were 4.9% and 3.7% respectively.

The overall Midwest Region consumer price index rose 1.9% from March 2016 to March 2017, compared to a national increase of 2.4% over the same period.

The Wisconsin REALTORS® Association reported in April 2017 that existing Wisconsin home sales increased in March 2017 by 8.4% over March 2016, with prices increasing by 5.5%. In the 12 county South Central Wisconsin region, existing home sales increased 4.3% over the 12 months ending March 2017. During that time, the median sale price in the region increased \$13,500 or 7.3%. 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***

A new session of the legislature began in January 2017. The legislature completed work on the 2017-19 budget in September of 2017. While elected officials from one-party hold majorities in both houses of the legislature and the governor's office, there were major disagreements over certain elements of the two-year spending plan that caused the budget to be signed into law about three months late.

For technical college districts, the resulting budget was primarily a status quo budget as it relates to funding from the state and funding authority via the property tax levy. The budget did provide additional financial aid for technical college students – increasing funding from \$19.3 million to \$22.5 million in FY2017-18 and to \$22.9 million in FY2018-19.

In March 2017, the WTCS State Board approved a 1.4% increase in tuition for students in degree credit programs in 2017-18.

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 legislative leaders to advance education initiatives.

### ***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 70 percent are employed within the district and over 88 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 \$3,213.
- Madison College was awarded a \$184,000 grant from the U.S. Department of Education from the Undergraduate International Studies and Foreign Language (UISFL) program to infuse international learning into the student educational experience at the College. This grant will expand study abroad opportunities, increase the number of internationalized courses, establish language immersion programs in Chinese and Arabic languages and establish a new partnership with UW-Madison to expand dual credit opportunities allowing students to enroll in and gain UW-Madison credit in an array of global studies and language courses while enrolled at Madison College

- Graduates from Madison College programs continue to perform above the national average on certification exams:

Program	Madison College Pass Rate	National Pass Rate
Advanced Emergency Medical Technician	87%	70%
Associate Degree Nursing	84%	82%
Certified Paralegal	76%	59%
Dental Hygiene	100%	83%
Dietary Manager	100%	69%
Emergency Medical Responder	71%	74%
Emergency Medical Technician	90%	80%
Medical Assistant	93%	69%
Medical Laboratory Technician	88%	73%
Occupational Therapy Assistant	100%	79%
Optometric Technician—Certified Paraoptometric Technician Examination	100%	86%
Optometric Technician—CPOP Examination	100%	83%
Optometric Technician—Certified Ophthalmic Assistant Examination	100%	83%
Paramedic	90%	85%
Physical Therapy Assistant	100%	80%
Radiography	100%	83%
Respiratory Therapist-Certification Registry Exam (CRT)	100%	80%
Respiratory Therapist-Written Registry Examination	82%	67%
Respiratory Therapist-Clinical Simulation Examination	67%	61%
Surgical Technologist	94%	78%
Therapeutic Massage	90%	69%
Veterinary Technician	93%	70%

### **Long-term Financial Planning**

Technical education in the 21<sup>st</sup> 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 operation 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. During Fiscal Year 2017-18, Madison College plans to borrow \$25.4 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 nearly 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.

Almost 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. Most 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**

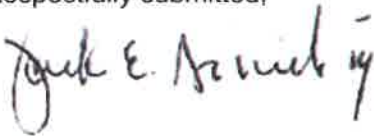
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Madison Area Technical College District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the twentieth 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



# 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, 2016**

*Christopher P. Morrell*

Executive Director/CEO

# Madison Area Technical College District Board FY 2017 - 2018



**Shiva Bidar-Sielaff**  
Board Treasurer  
[Employer Member]  
Term Expires 6/30/18  
Chief Diversity Officer at  
University of Wisconsin Hospital  
and Clinics



**Dr. Elton J. Crim, Jr.**  
[Member-at-Large]  
Term Expires 6/30/20  
Clinical Professor of Higher  
Education at the 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 6/30/18  
Superintendent, Waunakee  
Community School District



**Arlyn R. Halvorson**  
Board Vice-Chair  
[Employee Member]  
Term Expires 6/30/18  
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



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



**Vacant**  
[Member-at-Large]



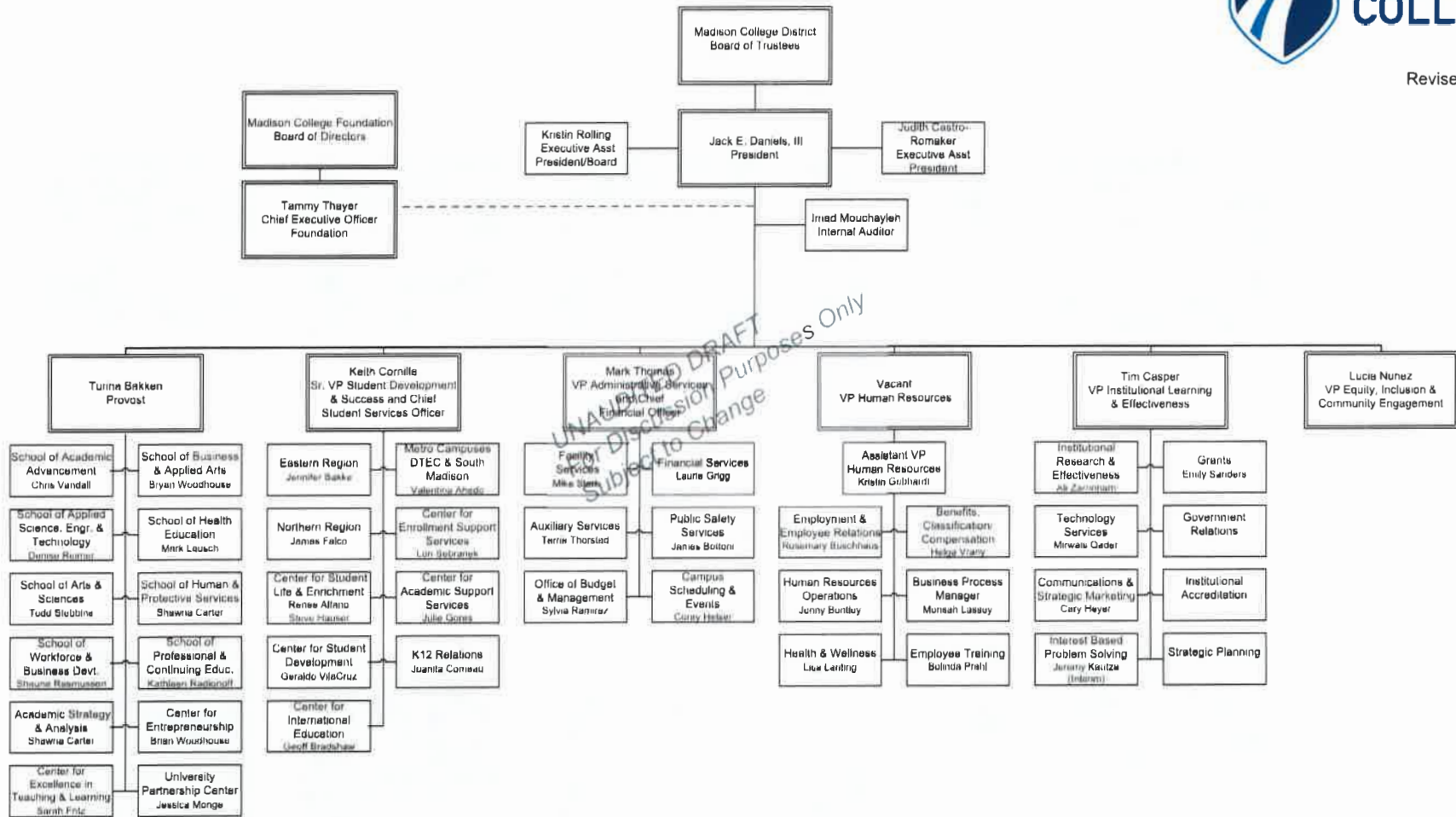
**Jack E. Daniels III, Ph.D.**  
President  
Madison Area Technical College

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# Madison College Organizational Chart



Revised 6/30/17



# 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 deteriorating. 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	2017	2016	Increase	2015	Increase
			(Decrease)		(Decrease)
			2017-2016		2016-2015
Cash and investments	\$ 81,429	\$ 85,888	\$ (4,459)	\$ 97,607	\$ (11,719)
Net capital assets	251,104	231,930	\$ 19,174	220,512	11,418
Net Pension Asset	-	-	\$ -	16,815	(16,815)
Other assets	30,316	44,319	\$ (14,003)	42,570	1,749
<b>Total Assets</b>	<b>362,849</b>	<b>362,137</b>	<b>712</b>	<b>377,504</b>	<b>(15,367)</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources related to pensions	43,320	56,721	(13,401)	13,631	43,090
<b>LIABILITIES</b>					
Current liabilities	52,940	65,928	(12,988)	68,466	(2,538)
Net Pension Liability	5,334	10,778	(5,445)	-	10,778
Other long-term liabilities	168,164	173,298	(5,134)	173,588	(290)
<b>Total Liabilities</b>	<b>226,437</b>	<b>250,005</b>	<b>(23,567)</b>	<b>242,054</b>	<b>7,951</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources related to pensions	22,099	22,808	(709)	123	22,685
<b>NET POSITION</b>					
Net investment in capital assets	104,751	91,227	13,525	89,236	1,991
Restricted for pension	-	-	-	16,815	(16,815)
Restricted for debt service	2,283	2,119	164	1,755	364
Unrestricted	50,597	52,699	(2,102)	41,153	11,546
<b>Total Net Position</b>	<b>\$ 157,632</b>	<b>\$ 146,046</b>	<b>\$ 11,587</b>	<b>\$ 148,958</b>	<b>\$ (2,914)</b>

**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.

#### **Fiscal Year 2016 Compared to 2015**

Total assets decreased by \$15.4 million, or 4.1%, for the fiscal year:

- Cash and cash equivalents decreased by \$11.7 million, or 12.0%, as there was a corresponding increase to net capital assets.
- Net capital assets increased by \$11.4 million or 5.2%. Net capital assets added this fiscal year were equipment of \$11.9 million, land of \$524,366, building and land improvements of \$339,358 and construction in progress of \$13.8 million. Depreciation expense and sale/disposals reduced net capital assets for the year by \$19.3 million and \$600,000 respectively.
- The Net Pension Asset was reduced to \$0 from \$16.8 million since this year the Wisconsin Retirement System recorded a Net Pension Liability of \$10.8 million. Deferred outflows of resources related to pensions increased to \$56.7 million and deferred inflows of resources related to pensions increased to \$22.8 million. GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* (GASB 71). These statements provide guidance for how governments measure and report long-term obligations and annual costs associated with the pension benefits they provide. See Note E in the Notes to Financial Statement for additional disclosure information.
- Other assets increased by \$1.7 million, or 4.1%, due to an increase in federal and state aid receivables, as the District now receives a greater portion of its non-operating revenue directly from state appropriations in lieu of property taxes.

Total liabilities increased by \$8.0 million, or 3.3%, for the fiscal year:

- Current liabilities decreased \$2.5 million or 3.7%. In addition to the \$720,270 decrease in the current portion of long-term obligation, there was a decrease of \$1.3 million in accounts payable balances due to year-end invoice accruals. Unearned program and material fees also decreased \$908,807, or less than 1%, due to a decrease in enrollments. Offsetting these decreases is an increase of \$419,550 in the current portion of accrued compensated absences, as the number of eligible employees who are the age of 57 or older has increased slightly.
- Long term liabilities increased by \$10.5 million or 6.0%. The increase is mainly due to the change from Net Pension Asset of \$16.8 million to a Net Pension Liability of \$10.8 million.

Net position decreased by \$2.9 million, or 2%, for the fiscal year:

- Net investment in capital assets increased \$2.0 million or 2.2%.
- Restricted for debt service increased by \$364,000 or 20.8%. Premiums received on debt issues are included in the debt service fund and accrued interest is excluded from the reserve balance.
- Restricted for Pension decreased by \$16.8 million, or 100%, due to the change from a net pension asset to net pension liability.
- Unrestricted net position increased by \$11.5 million, or 28.1%, due mainly to the result of current year operating activities and non-operating revenues.

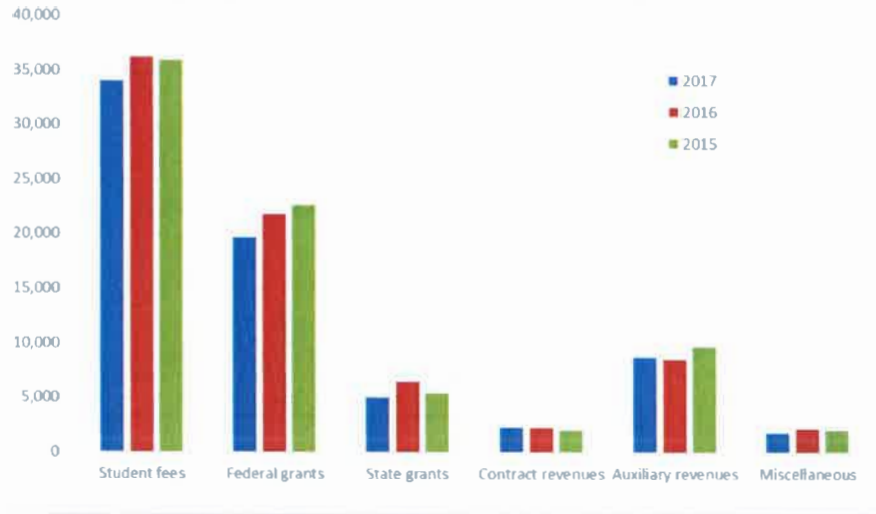
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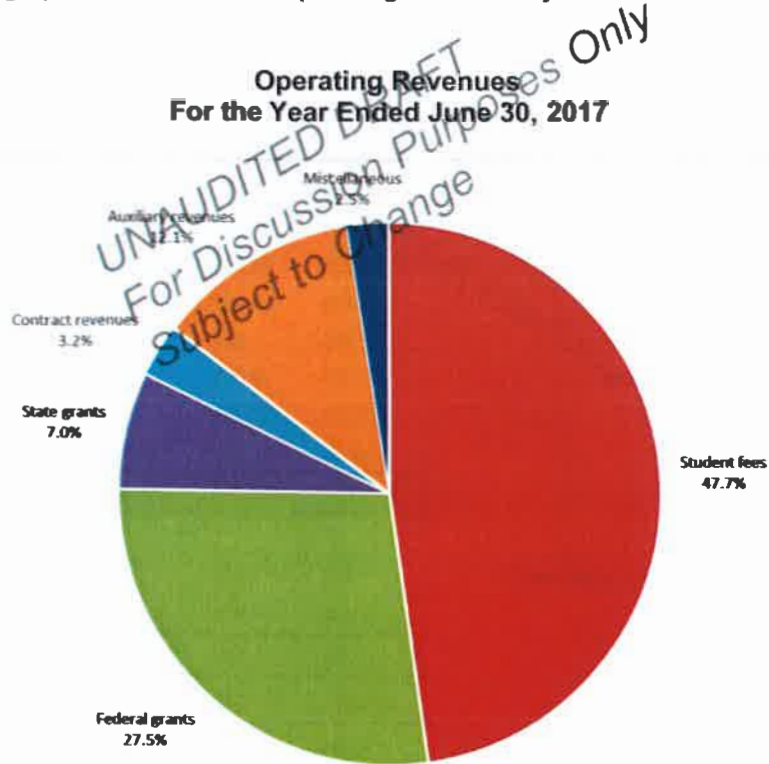
The following is a summary of Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2017, 2016, and 2015 (dollars in thousands)

	2017	2016	Increase (Decrease) 2017-2016	2015	Increase (Decrease) 2016-2015
<b>Operating revenues</b>					
Student fees	\$ 34,038	\$ 36,207	\$ (2,169)	\$ 35,924	\$ 283
Federal grants	19,622	21,763	(2,141)	22,648	(885)
State grants	4,977	6,447	(1,470)	5,364	1,083
Contract revenues	2,276	2,249	27	1,965	284
Auxiliary revenues	8,660	8,493	167	9,691	(1,198)
Cost reimbursements	82	82	-	83	(1)
Miscellaneous	1,776	2,122	(346)	1,989	133
<b>Total operating revenues</b>	<b>71,431</b>	<b>77,363</b>	<b>(5,932)</b>	<b>77,664</b>	<b>(301)</b>
<b>Non-operating revenues</b>					
Property taxes	73,677	66,584	7,093	64,951	1,633
State appropriations	72,222	73,751	(1,529)	74,197	(446)
Gifts, grants and bequests	3,524	968	2,557	722	246
Investment income earned	545	183	362	91	92
<b>Total non-operating revenues</b>	<b>149,968</b>	<b>141,485</b>	<b>8,483</b>	<b>139,961</b>	<b>1,524</b>
<b>Total revenues</b>	<b>221,399</b>	<b>218,848</b>	<b>2,551</b>	<b>217,625</b>	<b>1,223</b>
<b>Operating expenses</b>					
Instruction	111,372	111,212	161	110,964	248
Instructional resources	7,933	8,571	(638)	6,113	2,458
Student services	17,618	14,290	3,327	14,347	(57)
General institutional	14,363	13,999	364	18,281	(4,282)
Physical plant	10,796	27,562	(16,765)	13,512	14,050
Public service	366	664	(298)	349	315
Auxiliary enterprise services	12,160	9,547	2,613	9,681	(134)
Depreciation	20,029	19,327	702	19,538	(211)
Student aid	10,089	11,519	(1,430)	12,327	(808)
<b>Total operating expenses</b>	<b>204,727</b>	<b>216,690</b>	<b>(11,964)</b>	<b>205,112</b>	<b>11,578</b>
<b>Non-operating expenses</b>					
Loss (gain) on disposal of capital assets	145	158	(13)	263	(105)
Interest expense	4,941	4,911	30	4,968	(57)
<b>Total non-operating expenses</b>	<b>5,086</b>	<b>5,069</b>	<b>16</b>	<b>5,231</b>	<b>(162)</b>
<b>Total expenses</b>	<b>209,812</b>	<b>221,760</b>	<b>(11,947)</b>	<b>210,343</b>	<b>11,417</b>
<b>Increase (Decrease) in Net Position</b>	<b>11,586</b>	<b>(2,912)</b>	<b>14,498</b>	<b>7,282</b>	<b>(10,194)</b>
<b>Net position - beginning of the year</b>	<b>146,046</b>	<b>148,958</b>		<b>141,676</b>	
<b>Net position - end of the year</b>	<b>\$ 157,632</b>	<b>\$ 146,046</b>		<b>\$ 148,958</b>	

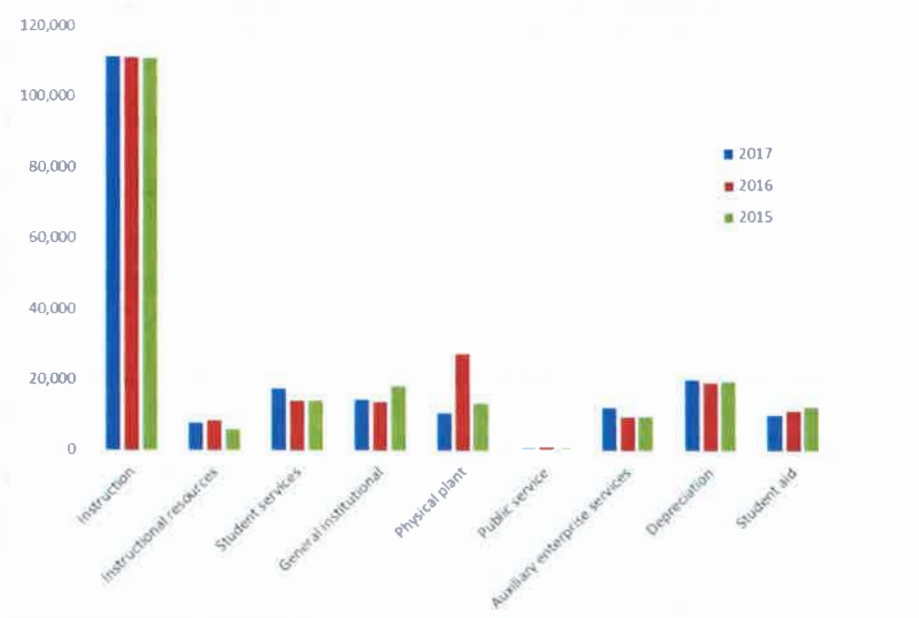
**Comparison of Operating Revenues  
For the Years Ended June 30, 2017, 2016 and 2015 (dollars in thousands)**



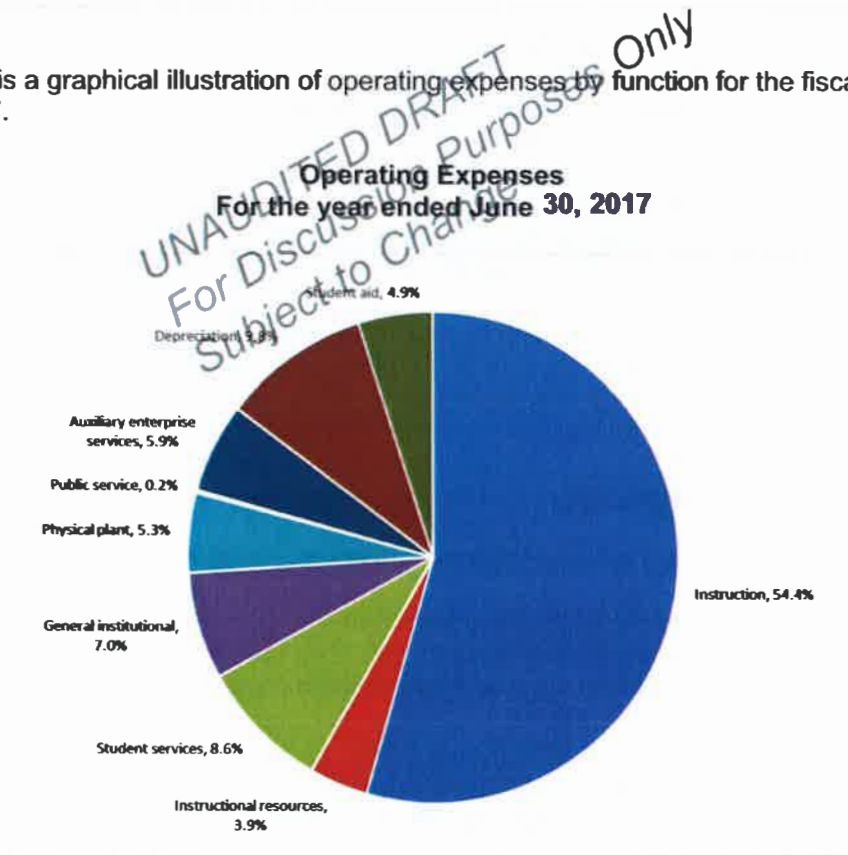
The following is a graphical illustration of operating revenues by source for the fiscal year ended June 30, 2017.



**Comparison of Operating Expenses  
For the Years Ended June 30, 2017, 2016 and 2015 (dollars in thousands)**



The following is a graphical illustration of operating expenses by function for the fiscal year ended June 30, 2017.



## **Fiscal Year 2017 Compared to 2016**

Operating revenues are the charges for services offered by the District. 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 reopened after an extended shutdown period and limited hours of operation due to construction.

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

Non-operating revenues are items not directly related to providing instruction. 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.

Non-operating expenses are items not directly related to providing instruction. 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%.

## **Fiscal Year 2016 Compared to 2015**

During 2016, the District generated \$77.4 million of operating revenue, a decrease of \$301,000 or less than 1%:

- Student fees increased by \$283,000 or less than 1%.
- State grants increased by \$1.1 million or 20.2%. The District was awarded over \$5.0 million as part of a multi-year Wisconsin Fast Forward grant earmarked for Wisconsin technical colleges.
- Federal grants decreased by \$885,000 or 3.9%.
- Auxiliary revenues decreased by \$1.2 million or 12.4% largely in part to the ongoing construction of the main Truax building, which resulted in the shutdown of normal cafeteria operations.

During 2016, total operating expenses were \$216.7 million, an increase of \$11.6 million, or 5.6%. The increase was largely due to the increase in physical plant expenses to \$27.6 million, an increase of \$14.1 million or 104.0%. This increase was partially off-set by a reduction in expenditures across various categories. The District had an increase in capital funds and associated spending for many of the referendum and remodel projects including the large culinary project.

Non-operating revenues are items not directly related to providing instruction. During 2016, the District generated \$141.5 million of non-operating revenue, an increase of \$1.5 million or 1.1%:

- Property taxes increased by \$1.6 million or 2.5%, while state appropriations decreased by \$446,000 or less than 1%.
- Investment income increased by \$92,000 or 100.6%, which is attributable to the recent increases in investment rates.
- The District had an increase in gifts and grants of \$246,000 or 34.1%.

During 2016, total non-operating expenses for the District were \$5.1 million, a decrease of \$162,000 or 3.1%. The decrease is mainly due to the decrease in the losses reported on the disposal of capital assets, which decreased by \$105,000 or 39.8%.

### ***Capital Asset and Debt Administration***

The District's investment in capital assets as of June 30, 2017 and 2016, net of accumulated depreciation, amounted to \$251.1 million and \$231.9 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 \$171.1 million. The balance at the end of June 30, 2016 was \$174.3 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.

### ***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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 48,237,034	\$ 43,323,150
Restricted cash and cash equivalents	10,847,309	42,310,760
Restricted investments	22,344,538	253,938
Accounts receivable	2,892,129	2,589,391
Property taxes receivable	17,991,634	16,620,562
Federal and state aid receivable	1,848,887	4,354,335
Student fee receivable, less allowance of \$4,495,000 for 2017 and \$4,295,000 for 2016	5,116,757	18,852,667
Inventories	814,753	993,723
Prepaid items	<u>1,652,014</u>	<u>893,806</u>
Total current assets	<u>111,745,055</u>	<u>130,192,332</u>
Non-current Assets		
Employee advances	-	14,999
Land	5,066,138	5,066,138
Construction in progress	8,982,543	22,042,931
Other capital assets	406,240,616	361,595,390
Less accumulated depreciation	<u>(169,185,565)</u>	<u>(156,774,429)</u>
Total non-current assets	<u>251,103,732</u>	<u>231,945,029</u>
<b>TOTAL ASSETS</b>	<u><b>362,848,787</b></u>	<u><b>362,137,361</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions	43,319,975	56,720,878
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	7,957,518	7,680,530
Accrued payroll	9,487,228	9,086,817
Accrued interest	1,923,118	1,901,720
Unearned program and material fees	2,547,755	16,008,483
Due to other organizations	1,915,619	2,437,031
Current portion of compensated absences	6,869,807	6,694,314
Current portion of long-term obligations	<u>22,239,300</u>	<u>22,119,556</u>
Total current liabilities	<u>52,940,345</u>	<u>65,928,451</u>
Long-term Liabilities		
Accrued compensated absences	9,302,609	10,493,764
General obligation notes payable	148,890,000	152,195,000
Capital lease	40,117	44,417
Net Pension Liability	5,333,502	10,778,119
Premium on notes and bonds payable	8,368,585	8,386,753
Other postemployment benefits	<u>1,562,288</u>	<u>2,178,093</u>
Total long-term liabilities	<u>173,497,101</u>	<u>184,076,146</u>
<b>TOTAL LIABILITIES</b>	<u><b>226,437,446</b></u>	<u><b>250,004,597</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pensions	22,099,043	22,807,983
<b>NET POSITION</b>		
Net investment in capital assets	104,751,403	91,226,801
Restricted for debt service	2,283,377	2,119,451
Unrestricted	<u>50,597,493</u>	<u>52,699,407</u>
<b>TOTAL NET POSITION</b>	<u><b>\$ 157,632,273</b></u>	<u><b>\$ 146,045,659</b></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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Operating revenues		
Student program fees, net of scholarship allowances of \$5,337,301 and \$5,385,423 for 2017 and 2016, respectively	\$ 30,703,618	\$ 32,589,460
Student material fees, net of scholarship allowances of \$201,408 and \$209,574 for 2017 and 2016, respectively	1,189,908	1,248,436
Other student fees, net of scholarship allowances of \$755,278 and \$755,737 for 2017 and 2016, respectively	2,144,304	2,368,872
Federal grants	19,621,514	21,762,419
State grants	4,977,457	6,447,173
Business and industry contract revenue	2,122,728	2,095,590
School district contract revenue	153,476	153,258
Auxiliary enterprise revenues	8,660,085	8,493,314
Cost reimbursements	82,491	81,750
Miscellaneous	1,775,781	2,122,492
Total operating revenues	<u>71,431,362</u>	<u>77,362,764</u>
Operating expenses		
Instruction	111,372,469	111,211,738
Instructional resources	7,932,980	8,570,509
Student services	17,617,800	14,290,392
General institutional	14,362,871	13,998,775
Physical plant	10,796,326	27,561,679
Public service	365,999	664,045
Auxiliary enterprise services	12,160,275	9,547,330
Depreciation	20,028,875	19,326,838
Student aid	10,089,249	11,519,141
Total operating expenses	<u>204,726,844</u>	<u>216,690,447</u>
Operating loss	<u>(133,295,482)</u>	<u>(139,327,683)</u>
Non-operating revenues (expenses)		
Property taxes	73,676,951	66,583,533
State appropriations	72,221,737	73,750,761
Gifts, grants and bequests	3,524,425	967,842
Gain (loss) on disposal of capital assets	(144,957)	(158,325)
Investment income earned	544,505	182,589
Interest expense	(4,940,565)	(4,910,807)
Total non-operating revenues	<u>144,882,096</u>	<u>136,415,593</u>
CHANGE IN NET POSITION	11,586,614	(2,912,090)
Net position - beginning of the year as previously reported	<u>146,045,659</u>	<u>148,957,749</u>
Net position - end of the year	<u>\$ 157,632,273</u>	<u>\$ 146,045,659</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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Tuition and fees received	\$ 34,010,274	\$ 36,175,771
Federal and state grants received	27,104,419	26,120,281
Business, industry and school district contract revenues received	2,276,204	2,248,848
Payments to employees including related benefits	(133,935,304)	(135,041,829)
Payments to suppliers	(45,478,604)	(58,685,076)
Auxiliary enterprise revenues received	8,660,085	8,493,314
Other receipts	<u>1,858,272</u>	<u>2,204,242</u>
Net cash used in operating activities	<u>(105,504,655)</u>	<u>(118,484,449)</u>
Cash flows from noncapital financing activities		
Local property taxes received	72,305,879	66,039,923
State appropriations received	72,221,737	73,750,761
Gifts, grants and bequests	3,524,425	967,842
Other receipts (payments)	<u>14,999</u>	<u>6,511</u>
Net cash provided by noncapital financing activities	<u>148,067,040</u>	<u>140,765,037</u>
Cash flows from capital and related financing activities		
Purchases of capital assets	(39,225,659)	(29,986,296)
Proceeds on disposal of capital assets	7,985	435,083
Premium on issuance of capital debt	1,152,378	1,198,761
Proceeds from issuance of capital debt	25,400,000	24,800,000
Principal paid on capital debt	(28,589,556)	(24,639,826)
Interest paid on capital debt	<u>(6,311,006)</u>	<u>(5,990,315)</u>
Net cash used in capital and related financing activities	<u>(47,565,857)</u>	<u>(34,182,593)</u>
Cash flows from investing activities		
Investment income received	544,505	182,589
Proceeds on sale of investments	<u>(22,090,600)</u>	<u>(128)</u>
Net cash provided by (used in) investing activities	<u>(21,546,095)</u>	<u>182,461</u>
Net decrease in cash and cash equivalents	(26,549,567)	(11,719,544)
Cash and cash equivalents at beginning of year	<u>85,633,910</u>	<u>97,353,454</u>
Cash and cash equivalents at end of year	<u>\$ 59,084,343</u>	<u>\$ 85,633,910</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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (133,295,482)	\$ (139,327,683)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	20,028,875	19,326,838
Changes in assets and liabilities:		
Accounts receivable	(302,738)	(786,010)
Federal and state aid receivable	2,505,448	(2,089,311)
Student fee receivable	13,735,910	755,013
Inventories	178,970	48,845
Prepaid items	(758,208)	859,431
Accounts payable	368,420	(2,424,230)
Accrued payroll	400,411	(850,584)
Unearned program and material fees	(13,460,728)	(908,807)
Due to other organizations	(521,412)	740,199
Accrued compensated absences	(1,015,662)	(402,422)
Pension benefits	7,247,346	7,187,458
Other postemployment benefits	(615,805)	(613,186)
Net cash used in operating activities	<u>\$ (105,504,655)</u>	<u>\$ (118,484,449)</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position		
Unrestricted cash and cash equivalents	\$ 48,237,034	\$ 43,323,150
Restricted cash and cash equivalents	<u>10,847,309</u>	<u>42,310,760</u>
	<u>\$ 59,084,343</u>	<u>\$ 85,633,910</u>
Supplemental disclosure of non-cash investing and financing activities		
Interest charged to construction	\$ 221,293	\$ 204,482
Bond issuance costs paid by underwriter	\$ 260,003	\$ 248,549
Construction in progress reported in accounts payable	\$ 4,925,165	\$ 5,016,597

The accompanying notes are an integral part of these statements.

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**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 five cities: 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, 2017 AND 2016**

**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 and liabilities and the disclosure of contingent assets and liabilities 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). Each of these series is invested in a separate portfolio of permitted investments. Annually audited financial statements of WISC are provided to all participants.

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Investments** (continued)

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 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, 2017 and 2016, 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, 2017 and 2016, 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 books and supplies are stated 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, 2017 and 2016, the District had capitalized interest of \$221,293 and \$204,482, respectively.

**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.

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Property Taxes and Taxes Receivable** (continued)

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 2017 and 2016 tax levies were as follows:

	<b>Fiscal Year ending June 30, 2017</b>	
	<b>2017</b>	<b>2016</b>
Mill rate for operations	0.51176	0.50821
Operational levy	\$ 38,539,818	\$ 36,544,859
Mill rate for debt service	0.45398	0.41915
Debt Service levy	\$ 34,188,500	\$ 30,140,646
Total mill rate	0.96574	0.92736
Total tax levy	\$ 72,728,318	\$ 66,685,505

**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.

**Retirement Plan**

The District has a retirement plan covering substantially all of its employees, which is funded through contributions to the Wisconsin Retirement System ("WRS"). In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68).

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Accumulated Unpaid Vacation, Sick Leave and Other Employee Benefit Amounts** (continued)

This statement provides guidance for how governments measure and report long-term obligations and annual costs associated with the pension benefits they provide. GASB 68 has been implemented by the District effective June 30, 2015.

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 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 sick leave over the maximum amount that could be contributed to the tax qualified governmental retirement plan described in the preceding sentence.

**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 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.

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Accumulated Unpaid Vacation, Sick Pay and Other Employee Benefit Amounts** (continued)

**Retiree Health Insurance**

The District also provides post-retirement health care benefits to full time teachers, paraprofessional/school related personnel ("PSRP") and administrators.

For fiscal year 2015-16 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.

**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 student class 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.

**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.

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**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.

*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.

*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.



**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS**

The District's cash and cash equivalents include cash on hand, demand deposits with financial institutions, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition. Investments include debt securities and certificates of deposit 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>2017</u>	<u>2016</u>
Cash and cash equivalents		
Petty cash funds	\$ 19,531	\$ 16,222
Cash in bank	54,711,867	71,985,955
Wisconsin Local Government Investment Pool (LGIP)	534,168	579,982
Wisconsin Investment Series Cooperative -		
Cash Management Series	<u>3,818,777</u>	<u>3,051,751</u>
Cash and cash equivalents sub-total	59,084,343	75,633,910
Investments		
Limited Term Duration Investment	20,094,710	-
Certificates of Deposit	<u>2,249,828</u>	<u>10,253,938</u>
Investment sub-total	<u>22,344,538</u>	<u>10,253,938</u>
Total cash, cash equivalents and investments	<u>\$ 81,428,881</u>	<u>\$ 85,887,848</u>

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

	<u>2017</u>	<u>2016</u>
Current assets		
Unrestricted cash and cash equivalents	\$ 48,237,034	\$ 43,323,150
Restricted cash and cash equivalents	10,847,309	42,310,760
Restricted investments	<u>22,344,538</u>	<u>10,253,938</u>
Total cash, cash equivalents and investments	<u>\$ 81,428,881</u>	<u>\$ 85,887,848</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, 2017 and 2016, the District had cash bank balances of \$54.7 and \$72.0 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.

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

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

**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 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%
Certificates of deposit	65%
U.S. Treasury bills or notes	100%
Other U.S. government agencies	75%
Wisconsin Local Government Investment Pool	50%
Wisconsin Investment Series Cooperative - Investment Series	75%
Commercial Paper	75%
Bankers' acceptances	20%
Open-end investment companies	100%

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, 2017 and 2016, the District had \$3,938 and \$3,938, respectively, exposed to custodial credit risk on its investments.

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

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

**Cash Equivalents and Investments** (continued)

*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. As of June 30, 2017 the LGIP had an average maturity of 29 days and the Wisconsin Investment series had an average maturity of 0.95 days.

*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 does not have any investments to report 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>2017</u>	<u>2016</u>
Restricted for:		
Debt service	\$ 4,206,495	\$ 4,021,171
Capital projects	<u>28,985,352</u>	<u>38,543,527</u>
Total restricted	33,191,847	42,564,698
 Unrestricted	 <u>48,237,034</u>	 <u>43,323,150</u>
 Total cash and cash equivalents and investments	 <u>\$ 81,428,881</u>	 <u>\$ 85,887,848</u>

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, 2017 AND 2016**

**NOTE C - CAPITAL ASSETS**

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	10,123,446	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, 2017 AND 2016**

**NOTE C - CAPITAL ASSETS** (continued)

Capital asset activity was as follows for the year ended June 30, 2016:

	2016			
	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 4,541,772	\$ 524,366		\$ 5,066,138
Construction in progress	8,228,232	18,940,733	5,126,034	22,042,931
Total capital assets, not being depreciated	<u>12,770,004</u>	<u>19,465,099</u>	<u>5,126,034</u>	<u>27,109,069</u>
Capital assets, being depreciated				
Land improvements	9,703,065	459,444		10,162,509
Building and improvements	240,649,422	3,071,490	3,191,576	240,529,336
Equipment	98,984,521	13,467,910	1,548,886	110,903,545
Total capital assets, being depreciated	<u>349,337,008</u>	<u>16,998,844</u>	<u>4,740,462</u>	<u>361,595,390</u>
Less accumulated depreciation for				
Land improvements	4,489,603	239,893	-	4,729,496
Building and improvements	70,800,387	6,975,322	2,953,826	74,822,883
Equipment	66,303,655	12,111,623	1,193,220	77,222,050
Total accumulated depreciation	<u>141,594,645</u>	<u>19,326,838</u>	<u>4,147,046</u>	<u>156,774,429</u>
Total capital assets, being depreciated, net	<u>207,742,363</u>	<u>(2,327,994)</u>	<u>593,416</u>	<u>204,820,961</u>
Net capital assets	220,512,367	<u>\$ 17,137,105</u>	<u>\$ 5,719,450</u>	231,930,030
Less general obligation debt	(174,145,000)			(174,310,000)
Less capital lease	(53,799)			(48,973)
Plus unexpended debt proceeds included in general obligation debt	<u>42,922,021</u>			<u>33,655,743</u>
Total invested in capital assets, net of related debt	<u>\$ 89,235,589</u>			<u>\$ 91,226,800</u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**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, 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>

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2016</u>	<u>Due Within One Year</u>
Notes and bonds payable	\$ 174,145,000	\$24,800,000	\$24,635,000	\$ 174,310,000	\$22,115,000
Capital lease	53,799	-	4,826	48,973	4,556
Compensated absences	17,590,500	5,872,342	6,274,764	17,188,078	6,694,314
Other postemployment benefits	2,791,279	1,288,814	1,902,000	2,178,093	-
Net pension liability	-	10,778,119	-	10,778,119	-
Premium on notes and bonds payable	8,122,006	1,198,761	934,014	8,386,753	-
	<u>\$ 202,702,584</u>	<u>\$43,938,036</u>	<u>\$33,750,604</u>	<u>\$ 212,890,016</u>	<u>\$28,813,870</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, 2017 AND 2016**

**NOTE D - LONG TERM LIABILITIES (continued)**

The debt obligations of the District at June 30, 2017 and 2016 are as follows:

	<u>Buyer</u>	<u>2017</u>	<u>2016</u>
<b>Series 2009-10B Note</b>			
\$6,320,000 general obligation promissory note payable issued February 1, 2010 with interest at 2.25 to 2.75%, payable semiannually in March and September; principal payments are varying amounts and are due on March 1 of each year until maturity on March 1, 2017. Proceeds used to acquire moveable equipment, improvement projects and construction.	M&I Marshall & Isley Bank	\$ -	\$ 1,085,000
<b>Series 2010-11A Bond</b>			
\$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.	M&I Marshall and Isley and Stern, Agee & Leach	5,445,000	6,690,000
<b>Series 2010-11B Bond</b>			
\$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 until maturity on March 1, 2031. 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	30,605,000	32,190,000
<b>Series 2011-12A Bond</b>			
\$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 until maturity on March 1, 2031. 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.	Citi	42,460,000	46,685,000
<b>Series 2011-12A Note</b>			
\$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.	Bosc, Inc.	1,590,000	2,500,000

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE D - LONG TERM LIABILITIES (continued)**

	<u>Buyer</u>	<u>2017</u>	<u>2016</u>
<p><b>Series 2011-12B Note</b> \$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.</p>	Piper Jaffray	\$ 2,000,000	\$ 3,000,000
<p><b>Series 2011-12C Note</b> \$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.</p>	Baird	640,000	1,190,000
<p><b>Series 2012-13A Note</b> \$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.</p>	Hutchinson, Shockey, Erley, & Co.	2,240,000	3,490,000
<p><b>Series 2012-13B Note</b> \$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.</p>	Janney Capital Markets	4,040,000	5,255,000
<p><b>Series 2012-13C Note</b> \$5,750,000 general obligation promissory note payable issued June 27, 2013 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, 2017. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.</p>	Citigroup	-	545,000



**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE D - LONG TERM LIABILITIES (continued)**

	<u>Buyer</u>	<u>2017</u>	<u>2016</u>
<p><b>Series 2012-13A Bond</b> \$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.</p>	Piper Jaffray	\$ 11,740,000	\$ 11,955,000
<p><b>Series 2013-14A Note</b> \$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.</p>	BMO Capital Markets	3,135,000	4,725,000
<p><b>Series 2013-14B Note</b> \$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	3,935,000	5,120,000
<p><b>Series 2013-14C Note</b> \$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.	1,770,000	2,000,000
<p><b>Series 2014-15A Note</b> \$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	4,635,000	5,220,000

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE D - LONG TERM LIABILITIES (continued)**

<b>Series 2014-15B Note</b>	<b><u>Buyer</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<p>\$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>	<p>Janney Montgomery Scott LLC</p>	<p>\$ 7,790,000</p>	<p>\$ 8,050,000</p>
<p><b>Series 2014-15A Bond</b> \$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>	<p>Piper Jaffray</p>	<p>9,570,000</p>	<p>9,570,000</p>
<p><b>Series 2014-15C Note</b> \$4,500,000 general obligation promissory note payable issued June 30, 2015 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, 2017. Proceeds used to remodel buildings and improvement projects, and acquire moveable equipment.</p>	<p>Baird</p>	<p>-</p>	<p>2,040,000</p>
<p><b>Series 2015-16A Note</b> \$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>	<p>Hutchinson, Shockey, Erley, &amp; Co.</p>	<p>1,000,000</p>	<p>2,350,000</p>
<p><b>Series 2015-16B Note</b> \$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.</p>	<p>Fidelity Capital Markets</p>	<p>3,100,000</p>	<p>4,150,000</p>

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**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE D - LONG TERM LIABILITIES (continued)**

**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.

<u>Buyer</u>	<u>2017</u>	<u>2016</u>
FTN Financial Capital Markets	\$ 4,150,000	\$ 4,150,000

**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, 2017 AND 2016**

**NOTE D - LONG TERM LIABILITIES** (continued)

<b>Series 2016-17B Note</b>	<b><u>Buyer</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<p>\$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.</p>	<p>Hutchinson, Shockey, Erley, &amp; Co.</p>	<p>\$ 1,000,000</p>	<p>\$ -</p>
<p><b>Series 2016-17C Note</b></p> <p>\$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.</p>	<p>Fidelity Capital Markets</p>	<p>4,235,000</p>	<p>-</p>
<p><b>Series 2016-17D Note</b></p> <p>\$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.</p>	<p>Piper Jaffray</p>	<p>4,235,000</p>	<p>-</p>
<p><b>Series 2016-17E Note</b></p> <p>\$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.</p>	<p>Hutchinson, Shockey, Erley, &amp; Co.</p>	<p>4,235,000</p>	<p>-</p>
<p><b>Series 2016-17F Note</b></p> <p>\$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.</p>	<p>FTN Financial Capital Markets</p>	<p><u>4,225,000</u></p>	<p>-</p>
<p><b>Total General Obligation Debt</b></p>		<p><u>\$ 171,125,000</u></p>	<p><u>\$ 174,310,000</u></p>

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**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
2018	\$ 22,235,000	\$ 5,942,232	\$ 28,177,232	4,300	41,611	\$ 45,911
2019	19,305,000	5,275,175	24,580,175	4,059	42,311	46,370
2020	17,160,000	4,704,275	21,864,275	3,831	43,002	46,833
2021	14,985,000	4,191,175	19,176,175	3,617	43,685	47,302
2022	12,795,000	3,743,875	16,538,875	3,414	44,361	47,775
2023-2027 (5 year total)	49,690,000	13,023,438	62,713,438	14,403	231,734	246,137
2028-2032 (5 year total)	33,070,000	4,457,538	37,527,538	10,793	247,899	258,692
2033	1,885,000	78,175	1,963,175	-	-	-
	<u>\$ 171,125,000</u>	<u>\$ 41,415,882</u>	<u>\$ 212,540,882</u>	<u>\$ 44,417</u>	<u>\$ 694,603</u>	<u>\$ 739,020</u>

Years Ending June 30	Total		
	Principal	Interest	Subtotal
2018	\$ 22,239,300	\$ 5,983,843	\$ 28,223,143
2019	19,309,059	5,317,486	24,626,545
2020	17,163,831	4,747,257	21,911,088
2021	14,988,617	4,234,868	19,223,477
2022	12,798,414	3,786,236	16,586,650
2023-2027 (5 year total)	49,704,403	13,255,471	62,959,874
2028-2032 (5 year total)	33,080,798	4,703,436	37,786,229
2033	1,885,000	78,175	1,963,175
	<u>\$ 171,163,417</u>	<u>\$ 42,118,484</u>	<u>\$ 213,279,901</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 2016-2017 was \$3,930,618,713; the aggregate indebtedness of the District for the same period was \$171,125,000. The 5% limit for 2015-2016 was \$3,776,113,218; the aggregate indebtedness of the District for the same period was \$174,310,000. Debt service funds of \$2,283,377 available on June 30, 2017 result in a margin of \$3,761,777,090. Debt service funds of \$2,119,451 available on June 30, 2016 result in a margin of \$3,603,922,669.

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 2016-2017 was \$1,572,247,485; the 2% limit for 2015-2016 was \$1,510,445,287. The District had bonded indebtedness of \$171,125,000 and \$174,310,000 for the years ending June 30, 2017 and June 30, 2016, respectively. Debt service funds of \$2,283,377 available on June 30, 2017 result in a margin of \$1,403,405,862. Debt service funds of \$2,119,451 available on June 30, 2016 result in a margin of \$1,338,254,738.

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE E – RETIREMENT PLAN**

**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 is responsible for administration of the WRS and the State of Wisconsin Investment Board (SWIB) is responsible for managing WRS investments.

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

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

**Benefits provided** - Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The 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, 2017 and 2016 were \$110,901 and \$626,146, respectively.

The WRS also provides death and disability benefits for employees.

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE E – RETIREMENT PLAN** (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	3.9	2
2016	0.5	(5)

**Contributions** - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$6,141,285 in contributions from the employer. All District employees covered by the WRS fall under the General category.

Contribution rates as of June 30, 2016 are:

Employee Category	Employee	Employer
General (including teachers)	6.6%	6.6%

Contribution rates as of June 30, 2017 are:

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE E – RETIREMENT PLAN** (continued)

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

At June 30, 2017, the District reported a liability (asset) of \$5,333,502 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. 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, 2016, the District's proportion was 0.6471%, which was a decrease of 0.0162% from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$13,906,960.

At June 30, 2017 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	\$2,033,665	\$16,773,403
Changes in assumptions	5,576,383	0
Net differences between projected and actual earnings on pension plan investments	31,807,180	5,258,696
Changes in proportion and differences between employer contributions and proportionate share of contributions	744,139	66,944
Employer contributions subsequent to the measurement date	3,158,608	0
<b>Total</b>	<b>\$43,319,975</b>	<b>\$22,099,043</b>

The \$3,158,608 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflow of Resources	Deferred Inflows of Resources
2018	\$13,953,608	\$6,697,879
2019	13,953,608	6,697,879
2020	11,706,120	6,680,659
2021	534,416	2,022,626
Thereafter	13,615	0



**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE E – RETIREMENT PLAN** (continued)

**Actuarial assumptions.** The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset)	December 31, 2016
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, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 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, 2017 AND 2016**

**NOTE E – RETIREMENT PLAN** (continued)

<b>Asset Allocation Targets and Expected Returns</b>								
As of December 31, 2016								
<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>		<u>Destination Target Asset Allocation %</u>		<u>Long-Term Expected Nominal Rate of Return %</u>		<u>Long-Term Expected Real Rate of Return %</u>	
Global Equities	50	%	45	%	8.3	%	5.4	%
Fixed Income	24.5		37		4.2		1.4	
Inflation Sensitive Assets	15.5		20		4.3		1.5	
Real Estate	8		7		6.5		3.6	
Private Equity/Debt	8		7		9.4		6.5	
Multi-Asset	4		4		6.6		3.7	
<b>Total Core Fund</b>	<b>110</b>	<b>%</b>	<b>120</b>	<b>%</b>	<b>7.4</b>	<b>%</b>	<b>4.5</b>	<b>%</b>
<b>Variable Fund Asset Class</b>								
U.S. Equities	70	%	70	%	7.6	%	4.7	%
International Equities	30		30		8.5		5.6	
<b>Total Variable Fund</b>	<b>100</b>	<b>%</b>	<b>100</b>	<b>%</b>	<b>7.9</b>	<b>%</b>	<b>5</b>	<b>%</b>
<i>New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%</i>								
<i>Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.</i>								

**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 3.78%. 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, 2017 AND 2016**

**NOTE E – RETIREMENT PLAN** (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)	\$70,165,641	\$5,333,502	(\$44,590,181)

**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**

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 is administered by the District and does not issue a stand-alone financial report.

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.

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>	<u>2016</u>
Annual required contribution	\$1,360,740	\$1,343,337
Interest on net OPEB obligation	65,343	83,738
Adjustment to annual required contribution	<u>(107,888)</u>	<u>(138,261)</u>
Annual OPEB cost (expense)	1,318,195	1,288,814
Contributions made	<u>(1,934,000)</u>	<u>(1,902,000)</u>
Increase in net OPEB obligation	(615,805)	(613,186)
Net OPEB Obligation - Beginning of Year	<u>2,178,093</u>	<u>2,791,279</u>
Net OPEB Obligation - End of Year	<u>\$1,562,288</u>	<u>\$2,178,093</u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE F - OTHER POSTEMPLOYMENT BENEFITS** (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:

<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, 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%

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation, the unprotected unit credit actuarial cost method was used. The actuarial assumptions include a 3.0% interest discount rate and an annual healthcare cost trend rate of 4.6% initially, increased to 6.9% in 2017-18 and reduced by decrements to an ultimate rate of 5.2% in 2020-21. The plan's initial unfunded actuarial accrued liability is being amortized over a closed 30-year period beginning July 1, 2007. Subsequent gains and losses are being amortized over an open 30-year basis.

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**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:

**Operating Leases**

<b>Year Ending June 30</b>	
2018	\$ 1,217,806
2019	1,165,282
2020	978,939
2021	1,002,027
2022	<u>973,301</u>
Thereafter	<u>1,279,594</u>

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, 2017 and 2016 were \$1,091,328 and \$2,280,142 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, 2017 are as follows:

**Capital Leases**

<b>Year Ending June 30</b>	
2018	\$ 45,911
2019	46,370
2020	46,833
2021	47,302
2022	47,775
2023-2027	246,136
2028-2032	<u>258,690</u>
Total required minimum lease payments	<u>739,017</u>
Less amount representing interest	<u>(694,600)</u>
Net Present Value of minimum lease payments	<u>\$ 44,417</u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**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, 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.

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, 2017 and 2016, the District paid DMI insurance premiums of \$826,615 and \$859,836 respectively. Future premiums will be based on relevant rating exposures as well as the historical loss experience by members.

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.

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE H - RISK MANAGEMENT** (continued)

**Supplemental Insurance** (continued)

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.

Underground Storage Tanks: \$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>
2017	\$ 70,000	\$1,523,531	\$1,516,131	\$77,400
2016	\$ 70,000	\$1,550,336	\$1,550,336	\$70,000

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**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, 2017 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 a personnel grievance with a former employee. There is a difference of opinion and there will be a preliminary hearing within the next fiscal year. The matter is in its early stages, so no final decision is expected in the next twelve months. Management is comfortable that its position in this matter 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>2017</u>	<u>2016</u>
Salaries and wages	\$ 96,167,832	\$ 100,020,164
Fringe benefits	42,576,921	39,789,361
Travel, memberships and subscriptions	2,552,344	1,093,668
Supplies	8,054,063	19,545,018
Postage	225,475	247,103
Contract services	20,984,425	20,409,447
Rentals	1,218,350	2,350,513
Credit	925,926	971,379
Insurance	947,019	1,047,070
Utilities	3,076,554	2,639,741
Depreciation	20,028,875	19,326,838
Student aid	<u>7,969,059</u>	<u>9,250,144</u>
 Total Operating Expenses	 <u>\$ 204,726,844</u>	 <u>\$ 216,690,447</u>



**MADISON AREA TECHNICAL COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016**

**NOTE L – RECLASSIFICATION**

In 2017, certain amounts were reclassified for 2016 where appropriate to conform with the 2017 financial statement presentation.

**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, 2017, the District leases space to nine unique tenants. The total anticipated lease payments to be made to the College are \$559,959 for fiscal year 2017-18. 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 August 2, 2017, the District issued General Obligation Promissory Notes, Series 2017-18A, totaling \$8,290,000 with interest rates varying between 4.0% 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, 2020. 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 1, 2017, the District issued General Obligation Promissory Notes, Series 2017-18B, totaling \$8,450,000 with interest rates varying between 2.0% and 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, 2024. 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**

UNAUDITED DRAFT  
For Discussion Purposes Only  
Subject to Change

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
OTHER POSTEMPLOYMENT AND PENSION  
BENEFITS PLAN  
(UNAUDITED)  
Year Ended June 30, 2017**

**SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS PLAN**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)- Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/17	\$ -	\$ 15,384,752	\$ 15,384,752	0%	\$ 92,987,378	16.54%
07/01/15	-	16,246,198	16,246,198	0%	91,551,015	17.75%
07/01/13	-	17,409,365	17,409,365	0%	95,237,531	18.28%
7/1/2011	-	17,060,014	17,060,014	0%	90,970,358	18.75%

The data presented above was taken from the actuarial report. This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY (ASSET)  
Wisconsin Retirement System  
Last 10 Measurement Periods\***

	2016	2015	2014
District's proportion of the net pension liability (asset)	0.6471%	0.6633%	0.6846%
District's proportionate share of the net pension liability (asset)	5,333,502	10,778,119	(16,814,521)
District's covered-employee payroll	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	5.8%	11.9%	18.3%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.1%	98.2%	102.7%

\*Represents WRS measurement dates ending December 31<sup>st</sup>.

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
OTHER POSTEMPLOYMENT AND PENSION  
BENEFITS PLAN  
(UNAUDITED)  
Year Ended June 30, 2017**

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

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

\*Represents the District's contributions and covered payroll for the fiscal year ending June 30<sup>th</sup>.

The schedules above are intended to show information for ten years and additional years' information will be displayed as it becomes available.

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

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

## **SUPPLEMENTARY INFORMATION**

The following supplementary information is provided to document 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.

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**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, 2017**

	Original Budget	Final Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Local government	36,543,000	\$ 37,444,500	\$ 37,522,167	\$ -	\$ 37,522,167	\$ 77,667
Intergovernmental revenue						
State	73,582,000	72,476,600	72,464,635	-	72,464,635	(11,965)
Federal	260,000	190,000	244,816	-	244,816	54,816
Tuition and fees						
Statutory program fees	38,356,000	35,962,000	35,958,496	-	35,958,496	(3,504)
Material fees	1,417,000	1,348,000	1,336,122	-	1,336,122	(11,878)
Other student fees	2,102,000	2,073,000	1,899,048	-	1,899,048	(173,952)
Institutional	1,153,000	1,153,000	1,348,897	-	1,348,897	195,897
<b>Total revenues</b>	<b>153,413,000</b>	<b>150,647,100</b>	<b>150,774,181</b>	<b>-</b>	<b>150,774,181</b>	<b>127,081</b>
<b>Expenditures</b>						
Instruction	107,851,000	103,708,100	101,943,538	(11,614)	101,931,924	1,776,176
Instructional resources	3,644,000	3,492,900	3,300,340	-	3,300,340	192,560
Student services	16,070,000	15,452,400	14,589,894	-	14,589,894	862,506
General institutional	12,363,000	13,906,700	13,088,412	-	13,088,412	818,288
Physical plant	13,532,000	12,784,200	12,469,900	(40,041)	12,429,859	354,341
Public service	353,000	368,700	368,619	-	368,619	81
<b>Total expenditures</b>	<b>153,813,000</b>	<b>149,713,000</b>	<b>145,760,703</b>	<b>(51,655)</b>	<b>145,709,048</b>	<b>4,003,952</b>
Excess (deficiency) of revenues over expenditures	<b>(400,000)</b>	<b>934,100</b>	<b>5,913,478</b>	<b>51,655</b>	<b>5,065,133</b>	<b>4,131,033</b>
<b>Other financing sources (uses)</b>						
Transfers in				-	-	-
Transfers out			(5,639,012)	-	(5,639,012)	(4,245,161)
			(1,393,851)	-	(5,639,012)	(4,245,161)
<b>Net change in fund balance</b>	<b>(400,000)</b>	<b>(459,751)</b>	<b>(625,534)</b>	<b>51,655</b>	<b>(573,879)</b>	<b>(114,128)</b>
Fund balance at July 1, 2016	51,334,508	51,334,508	51,526,909	(51,655)	51,475,254	140,746
Fund balance at June 30, 2017	\$ 50,934,508	\$ 50,874,757	\$ 50,901,375	\$ -	\$ 50,901,375	\$ 26,618
<b>Fund balance</b>						
Assigned for future purchases			\$ -			
Nonspendable - prepaid items and advances			73,457			
Nonspendable - noncurrent assets			3,790			
Assigned for compensated absences			9,070,376			
Assigned for state aid fluctuations			1,199,000			
Assigned for subsequent year			599,500			
Assigned for subsequent years			1,798,500			
Assigned for operations			38,156,752			
			<u>\$ 50,901,375</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, 2017**

	<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>
<b>Revenues</b>						
Local government - tax levy	\$ 1,527,000	\$ 1,585,000	\$ 1,527,000	\$ -	\$ 1,527,000	\$ (58,000)
Intergovernmental revenue						
State	1,857,000	2,520,000	2,109,560	-	2,109,560	(410,440)
Federal	4,828,000	4,916,000	4,209,202	-	4,209,202	(706,798)
Tuition and fees						
Program fees	605,000	110,000	111,263	-	111,263	1,263
Material fees	72,000	50,000	50,921	-	50,921	921
Other student fees	539,000	1,060,000	1,000,534	-	1,000,534	(59,466)
Institutional	2,426,000	2,374,000	2,649,272	-	2,649,272	275,272
Total revenues	<u>11,854,000</u>	<u>12,615,000</u>	<u>11,657,752</u>	<u>-</u>	<u>11,657,752</u>	<u>(957,248)</u>
<b>Expenditures</b>						
Instruction	9,495,000	10,211,000	9,707,819	-	9,707,819	503,181
Instructional resources	86,000	93,000	46,693	-	46,693	46,307
Student services	2,258,000	2,387,000	2,189,304	-	2,189,304	197,696
General institutional	-	-	-	-	-	-
Physical Plant	15,000	19,000	18,217	-	18,217	783
Total expenditures	<u>11,854,000</u>	<u>12,710,000</u>	<u>11,962,033</u>	<u>-</u>	<u>11,962,033</u>	<u>747,967</u>
Excess (deficiency) of revenues over expenditures		(96,000)	(304,281)	-	(304,281)	(209,281)
<b>Other financing sources (uses)</b>						
Transfers in		-	442,568	-	442,568	442,568
Transfers out		-	(363,556)	-	(363,556)	(363,556)
	<u>-</u>	<u>-</u>	<u>79,012</u>	<u>-</u>	<u>79,012</u>	<u>79,012</u>
Net change in fund balance	-	(95,000)	(225,269)	-	(225,269)	(130,269)
Fund balance at July 1, 2016	<u>751,720</u>	<u>751,720</u>	<u>824,277</u>	<u>-</u>	<u>824,277</u>	<u>72,557</u>
Fund balance at June 30, 2017	<u>\$ 751,720</u>	<u>\$ 656,720</u>	<u>\$ 599,008</u>	<u>\$ -</u>	<u>\$ 599,008</u>	<u>\$ (57,712)</u>

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**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, 2017**

	<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>
<b>Revenues</b>						
Local government - tax levy	\$ 321,000	\$ 325,000	\$ 324,043	\$ -	\$ 324,043	\$ (957)
Intergovernmental revenue						
State	2,478,000	2,587,800	2,585,691	-	2,585,691	(2,109)
Federal	53,782,000	42,031,000	41,799,641	-	41,799,641	(231,359)
Institutional	<u>1,026,000</u>	<u>1,062,000</u>	<u>923,169</u>	<u>-</u>	<u>923,169</u>	<u>(138,831)</u>
Total revenues	57,607,000	46,005,800	45,632,544	-	45,632,544	(373,256)
<b>Expenditures</b>						
Student services	<u>57,607,000</u>	<u>46,005,800</u>	<u>45,584,044</u>	<u>-</u>	<u>45,584,044</u>	<u>421,756</u>
Net change in fund balance	-	-	48,500	-	48,500	48,500
Fund balance at July 1, 2016	<u>350,567</u>	<u>350,567</u>	<u>366,392</u>	<u>-</u>	<u>366,392</u>	<u>(15,825)</u>
Fund balance at June 30, 2017	<u>\$ 350,567</u>	<u>\$ 350,567</u>	<u>\$ 414,892</u>	<u>\$ -</u>	<u>\$ 414,892</u>	<u>\$ 32,675</u>

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**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, 2017**

	Original Budget	Final Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Intergovernmental revenue						
State	\$ 306,000	\$ 328,000	\$ 39,308	\$ -	\$ 39,308	\$ (288,692)
Federal	15,000	163,000	31,560	-	31,560	(131,440)
Institutional	2,000,000	2,705,000	3,277,298	-	3,277,298	572,298
Total revenues	<u>2,321,000</u>	<u>3,196,000</u>	<u>3,348,166</u>	<u>-</u>	<u>3,348,166</u>	<u>152,166</u>
<b>Expenditures</b>						
Capital outlay						
Instruction	10,204,000	13,969,000	4,324,594	1,657,133	5,981,727	7,987,273
Instructional resources	5,538,000	6,981,000	4,875,613	931,839	5,807,452	1,173,548
Student services	839,000	360,000	288,626	2,949	291,575	68,425
General institutional	1,435,000	6,337,000	2,609,338	(138,635)	2,470,703	3,866,297
Physical plant	27,575,000	20,514,000	23,369,703	(2,856,696)	20,513,007	993
Auxiliary service	4,063,000	3,977,000	3,669,610	265,652	3,935,262	41,738
Public service	103,000	35,000	9,340	-	9,340	25,660
Total expenditures	<u>49,757,000</u>	<u>52,173,000</u>	<u>39,146,824</u>	<u>(137,758)</u>	<u>39,009,066</u>	<u>13,163,934</u>
Excess (deficiency) of revenues over expenditures	<u>(47,436,000)</u>	<u>(48,977,000)</u>	<u>(35,798,658)</u>	<u>137,758</u>	<u>(35,660,900)</u>	<u>13,316,100</u>
<b>Other financing sources</b>						
Debt issued	25,400,000	25,400,000	25,400,000	-	25,400,000	-
Premiums on debt issued			260,003	-	260,003	260,003
Transfers in		1,393,851	1,300,000	-	1,300,000	(93,851)
Transfers out			-	-	-	-
Total other financing sources (uses)	<u>25,400,000</u>	<u>26,793,851</u>	<u>26,960,003</u>	<u>-</u>	<u>26,960,003</u>	<u>166,152</u>
Net change in fund balance	<u>(22,036,000)</u>	<u>(22,183,149)</u>	<u>(8,838,655)</u>	<u>137,758</u>	<u>(8,700,897)</u>	<u>13,482,252</u>
Fund balance at July 1, 2016	<u>-</u>	<u>33,916,515</u>	<u>33,655,743</u>	<u>(9,835,711)</u>	<u>23,820,032</u>	<u>(10,096,483)</u>
Fund balance at June 30, 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>

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**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, 2017**

	<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>
<b>Revenues</b>						
Local government - tax levy	\$ 34,188,741	\$ 34,188,741	\$ 34,188,741	\$ -	\$ 34,188,741	\$ -
Institutional	-	-	4,770	-	4,770	4,770
Total revenues	34,188,741	34,188,741	34,193,511	-	34,193,511	4,770
<b>Expenditures</b>						
Physical plant	34,552,135	34,900,561	34,900,561	-	34,900,561	-
Excess (deficiency) of revenues over expenditures	(363,394)	(711,820)	(707,050)	-	(707,050)	4,770
<b>Other financing sources</b>						
Premiums on debt issued	-	892,000	892,375	-	892,375	375
Net change in fund balance	(363,394)	180,180	185,325	-	185,325	5,145
Fund balance at July 1, 2016	3,202,822	3,524,729	4,021,371	-	4,021,171	496,449
Fund balance at June 30, 2017	\$ 2,839,428	\$ 3,704,902	\$ 4,206,496	\$ -	\$ 4,206,496	\$ 5,145

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**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, 2017**

	Original Budget	Final Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Operating revenues						
Local government - tax levy	\$ 115,000	\$ 115,000	\$ 115,000	\$ -	\$ 115,000	\$ -
Intergovernmental revenue						
Federal	3,300	3,300	4,607	-	4,607	1,307
Auxiliary revenue	9,289,700	9,289,700	8,660,085	-	8,660,085	(629,615)
Total revenues	9,408,000	9,408,000	8,779,692	-	8,779,692	(628,308)
Operating expenses						
Auxiliary services	9,780,000	9,780,000	9,426,159	-	9,426,159	353,841
Excess (deficiency) of revenues over expenses	(372,000)	(372,000)	(646,467)	-	(646,467)	(274,467)
Non-operating revenues (expenses)						
Transfers in	-	-	4,260,000	-	4,260,000	4,260,000
Transfers out	-	-	-	-	-	-
Total non-operating revenues (expenses)	-	-	4,260,000	-	4,260,000	4,260,000
Net change in net position	(372,000)	(372,000)	3,613,533	-	3,613,533	3,985,533
Net position at July 1, 2016	1,722,760	1,852,459	3,691,130	-	3,691,130	1,838,671
Net position at June 30, 2017	<u>\$ 1,350,760</u>	<u>\$ 1,480,459</u>	<u>\$ 7,304,663</u>	<u>\$ -</u>	<u>\$ 7,304,663</u>	<u>\$ 3,985,533</u>

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**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, 2017**

	<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>15,992,000</u>	<u>16,992,000</u>	<u>15,224,102</u>	<u>-</u>	<u>15,224,102</u>	<u>(1,767,898)</u>
Total revenues	15,992,000	16,992,000	15,224,102	-	15,224,102	(1,767,898)
Operating expenses						
Auxiliary services	<u>16,052,000</u>	<u>17,052,000</u>	<u>15,078,637</u>	<u>-</u>	<u>15,078,637</u>	<u>1,973,363</u>
Excess (deficiency) of revenues over expenses	(60,000)	(60,000)	145,465	-	145,465	205,465
Non-operating revenues						
Transfer out/(Other Uses)	<u>-</u>	<u>(550,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,000</u>
Total non-operating revenues	<u>-</u>	<u>(550,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,000</u>
Net change in net position	(60,000)	(60,000)	145,465	-	145,465	755,465
Net position at July 1, 2016	<u>3,946,507</u>	<u>3,846,501</u>	<u>3,773,607</u>	<u>-</u>	<u>3,773,607</u>	<u>(72,894)</u>
Net position at June 30, 2017	<u>\$ 3,886,501</u>	<u>\$ 3,236,501</u>	<u>\$ 3,919,072</u>	<u>\$ -</u>	<u>\$ 3,919,072</u>	<u>\$ 755,465</u>

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**MADISON AREA TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL**  
**STATEMENTS TO BASIC FINANCIAL STATEMENTS**  
**Year Ended June 30, 2017**

	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 Revenues, Expenses and Changes in Net Position
<b>Revenues</b>										
Local government - tax levy	\$ 37,522,167	\$ 1,527,000	\$ 324,043	\$ -	\$ 34,188,741	\$ 115,000	\$ -	\$ 73,676,951	\$ -	\$ 73,676,951
Intergovernmental revenue										
State	72,464,635	2,109,560	2,585,691	39,308	-	-	-	77,199,194	-	77,199,194
Federal	244,816	4,209,202	41,799,641	31,560	-	4,607	-	46,289,626	(26,668,312)	19,621,514
Tuition and fees										
Program fees	35,958,496	111,263	-	-	-	-	-	36,069,759	(5,366,141)	30,703,618
Material fees	1,338,122	50,921	-	-	-	-	-	1,387,043	(197,135)	1,189,908
Other student fees	1,899,048	1,000,534	-	-	-	-	-	2,899,582	(755,278)	2,144,304
Institutional	1,348,897	2,649,272	923,169	3,277,298	4,770	-	-	8,203,406	-	8,203,406
Auxiliary revenue	-	-	-	-	-	8,660,085	15,224,102	23,884,187	(15,224,102)	8,660,085
<b>Total revenues</b>	<b>150,774,181</b>	<b>11,657,752</b>	<b>45,632,544</b>	<b>3,348,166</b>	<b>34,193,511</b>	<b>8,779,692</b>	<b>15,224,102</b>	<b>269,609,948</b>	<b>(48,210,968)</b>	<b>221,398,980</b>
<b>Expenditures</b>										
Instruction	101,931,924	9,707,819	-	5,991,727	-	-	-	117,621,470	(6,249,001)	111,372,469
Instructional resources	3,300,340	48,893	-	5,607,453	-	-	-	9,154,485	(1,221,505)	7,932,980
Student services	14,589,894	2,189,304	45,584,943	291,519	-	-	-	62,654,817	(45,037,017)	17,617,800
General institutional	13,088,412	18,217	-	470,703	-	-	-	15,577,332	(1,214,461)	14,362,871
Physical plant	12,429,859	-	-	30,513,007	34,900,561	-	-	67,843,427	(52,106,536)	15,736,891
Public service	368,619	-	-	9,574	-	-	-	377,959	(11,960)	365,999
Auxiliary services	-	-	-	1,923,762	-	9,426,159	15,078,637	28,440,058	(16,279,783)	12,160,275
Depreciation	-	-	-	-	-	-	-	-	20,028,875	20,028,875
Student aid	-	-	-	-	-	-	-	-	10,089,249	10,089,249
<b>Total expenditures</b>	<b>145,709,048</b>	<b>11,962,033</b>	<b>45,584,943</b>	<b>39,009,066</b>	<b>34,900,561</b>	<b>9,426,159</b>	<b>15,078,637</b>	<b>301,669,548</b>	<b>(92,002,139)</b>	<b>209,667,409</b>
<b>Excess (deficiency) of revenues</b>	<b>5,065,133</b>	<b>(304,281)</b>	<b>48,600</b>	<b>(35,660,900)</b>	<b>(707,050)</b>	<b>(646,467)</b>	<b>145,465</b>	<b>(32,059,600)</b>	<b>43,791,171</b>	<b>11,731,571</b>
<b>Other financing sources (uses)</b>										
Transfers in	-	442,568	-	1,300,000	-	4,280,000	-	6,002,568	(6,002,568)	-
Transfers out	(5,639,012)	(363,556)	-	-	-	-	-	(6,002,568)	6,002,568	-
Gain (loss) on the sale of assets	-	-	-	-	-	-	-	-	(144,957)	(144,957)
Debt issued	-	-	-	25,400,000	-	-	-	25,400,000	(25,400,000)	-
Premiums on notes issued	-	-	-	260,003	892,375	-	-	1,152,378	(1,152,378)	-
<b>Net change in fund balance</b>	<b>(573,879)</b>	<b>(225,269)</b>	<b>48,600</b>	<b>(8,700,897)</b>	<b>185,325</b>	<b>3,613,533</b>	<b>145,465</b>	<b>(5,507,222)</b>	<b>17,093,836</b>	<b>11,586,614</b>
Fund balance/Net position at July 1, 2016	51,475,254	824,277	366,392	23,820,032	4,021,171	3,691,130	3,773,607	87,971,863	58,073,796	146,045,659
Fund balance/Net position at June 30, 2017	\$ 50,901,375	\$ 599,008	\$ 414,892	\$ 15,119,135	\$ 4,206,496	\$ 7,304,663	\$ 3,919,072	\$ 82,464,641	\$ 75,167,632	\$ 157,632,273

UNAUDITED DRAFT  
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**MADISON AREA TECHNICAL COLLEGE DISTRICT  
SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL  
STATEMENTS TO BASIC FINANCIAL STATEMENTS**

As of June 30, 2017

	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
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and cash equivalents	\$ 39,735,446	\$ (1,128,284)	\$ 2,281,304	-	-	\$ 5,524,935	\$ 1,150,148	\$ 47,563,549	\$ 673,485	\$ 48,237,034
Restricted cash and cash equivalents	-	-	-	-	-	-	673,485	673,485	10,173,824	10,847,309
Restricted investments	-	-	-	\$ 28,985,352	\$ 4,206,495	-	-	33,191,847	(10,847,309)	22,344,538
Accounts receivable	\$ 446,440	1,734,811	40,717	648,538	-	21,053	570	2,892,129	-	2,892,129
Property taxes receivable	17,991,634	-	-	-	-	-	-	17,991,634	-	17,991,634
Federal and state aid receivable	187,528	1,838,435	2,864	38,323	-	1,737	-	1,848,887	-	1,848,887
Student fee receivable, less allowance of \$4,120,000 and \$3,850,000 for 2014	5,041,322	-	-	-	-	75,435	-	5,116,757	-	5,116,757
Inventories	-	-	-	-	-	780,095	34,658	814,753	-	814,753
Prepaid items	73,457	13,189	5,625	70,000	-	-	1,489,743	1,652,014	-	1,652,014
Debt issuance costs	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>63,455,827</b>	<b>2,258,151</b>	<b>2,330,510</b>	<b>29,742,213</b>	<b>4,206,495</b>	<b>6,403,255</b>	<b>3,348,604</b>	<b>111,745,055</b>	<b>-</b>	<b>111,745,055</b>
<b>Non-current Assets</b>										
Land	-	-	-	-	-	-	-	-	5,066,138	5,066,138
Construction in progress	-	-	-	-	-	-	-	-	8,982,543	8,982,543
Other capital assets	-	-	-	-	-	3,558,805	10,607,270	14,166,075	392,074,541	406,240,616
Less accumulated depreciation	-	-	-	-	-	(2,562,936)	(9,015,552)	(11,578,488)	(157,607,077)	(169,185,565)
<b>Total non-current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>995,869</b>	<b>1,591,718</b>	<b>2,587,587</b>	<b>248,516,145</b>	<b>251,103,732</b>
<b>TOTAL ASSETS</b>	<b>63,455,827</b>	<b>2,258,151</b>	<b>2,330,510</b>	<b>29,742,213</b>	<b>4,206,495</b>	<b>7,399,124</b>	<b>4,940,322</b>	<b>114,332,642</b>	<b>248,516,145</b>	<b>362,848,787</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>										
Deferred outflows of resources related to pensions	-	-	-	-	-	-	-	-	43,319,975	43,319,975
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Accounts payable	689,947	1,465,737	-	4,928,765	-	(97,027)	973,947	7,957,769	(251)	7,957,518
Accrued payroll	8,506,452	169,878	-	-	-	56,212	47,303	8,779,504	707,724	9,487,228
Accrued interest	-	-	-	-	-	-	-	-	1,923,118	1,923,118
Unearned program and material fees	3,358,052	23,830	-	-	-	135,276	-	3,517,158	(969,403)	2,547,755
Due to other organizations	-	-	-	891,796	-	-	-	891,816	-	891,816
Due to student organizations	-	-	-	102,503	-	-	-	1,023,803	-	1,023,803
Current portion of compensated absences	-	-	-	-	-	-	-	-	6,869,807	6,869,807
Reserve for Encumbrance	-	-	-	9,697,953	-	-	-	9,697,953	(9,697,953)	-
Current portion of long-term obligations	-	-	-	-	-	-	-	-	22,239,300	22,239,300
<b>Total current liabilities</b>	<b>12,554,451</b>	<b>1,659,143</b>	<b>1,915,619</b>	<b>14,623,079</b>	<b>-</b>	<b>94,461</b>	<b>1,021,250</b>	<b>31,868,002</b>	<b>21,072,342</b>	<b>52,940,345</b>
<b>Long-term Liabilities</b>										
Accrued compensated absences	-	-	-	-	-	-	-	-	9,302,809	9,302,809
General obligation notes payable	-	-	-	-	-	-	-	-	148,890,000	148,890,000
Capital lease	-	-	-	-	-	-	-	-	40,117	40,117
Net Pension Liability	-	-	-	-	-	-	-	-	5,333,502	5,333,502
Other long term liabilities	-	-	-	-	-	-	-	-	8,368,585	8,368,585
Other postemployment benefits	-	-	-	-	-	-	-	-	1,562,288	1,562,288
<b>Total long-term liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>173,497,101</b>	<b>173,497,101</b>
<b>TOTAL LIABILITIES</b>	<b>12,554,451</b>	<b>1,659,143</b>	<b>1,915,619</b>	<b>14,623,079</b>	<b>-</b>	<b>94,461</b>	<b>1,021,250</b>	<b>31,868,002</b>	<b>194,569,443</b>	<b>226,437,446</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Deferred inflows of resources related to pensions	-	-	-	-	-	-	-	-	22,099,043	22,099,043
<b>NET POSITION</b>										
Net investment in capital assets	-	-	-	15,119,135	-	995,869	1,591,718	17,706,722	87,044,681	104,751,403
Restricted for debt service	-	-	-	-	4,206,496	-	-	4,206,496	(1,923,119)	2,283,377
Unrestricted	50,801,375	689,008	414,892	-	-	6,308,794	2,327,354	60,551,423	(8,953,930)	50,597,493
<b>TOTAL NET POSITION</b>	<b>\$ 50,801,375</b>	<b>\$ 689,008</b>	<b>\$ 414,892</b>	<b>\$ 15,119,135</b>	<b>\$ 4,206,496</b>	<b>\$ 7,304,663</b>	<b>\$ 3,919,072</b>	<b>\$ 82,464,641</b>	<b>\$ 75,167,632</b>	<b>\$ 157,632,273</b>

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**MADISON AREA TECHNICAL COLLEGE DISTRICT  
SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL  
STATEMENTS TO BASIC FINANCIAL STATEMENTS  
Year Ended June 30, 2017**

**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 ten 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	\$	4,977,457
Non-operating		72,221,737
		\$ 77,199,194

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

Institutional revenue		
Business and industry contract revenue	\$	2,122,728
School District contract revenue		153,476
Miscellaneous revenue		1,775,781
Gifts, grants and bequest		3,524,425
Cost reimbursements		82,491
Investment income earned		544,505
		\$ 8,203,406

**MADISON AREA TECHNICAL COLLEGE DISTRICT  
SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL  
STATEMENTS TO BASIC FINANCIAL STATEMENTS  
Year Ended June 30, 2017**

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

Interest expense		
Physical plant	\$	10,796,326
Interest expense		4,940,565
		15,736,891
	\$	15,736,891

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

Budgetary Basis fund balance		\$ 82,464,641
General capital assets capitalized	\$	406,123,473
Accumulated depreciation on general capital assets		(157,607,079)
General obligation notes payable		(171,125,000)
Premiums on notes payable		(8,368,585)
Capital lease obligation		(44,417)
Compensated absences		(16,172,416)
Accrued interest on bonds		(1,923,118)
Summer school tuition earned		969,403
Summer school instructor wages paid		(707,724)
Encumbrances outstanding at year-end		9,697,953
Net Pension obligations		15,887,430
Net OPEB obligations		(1,562,288)
Net position per basic financial statements	\$	157,632,273



## 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>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>	<u>2008</u>
Net investment in capital assets	\$ 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	\$ 58,791,301
Restricted for pension	-	-	16,814,521	-	-	-	-	-	-	-
Restricted for debt service	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	<u>50,597,493</u>	<u>52,699,407</u>	<u>41,152,900</u>	<u>27,311,530</u>	<u>27,120,372</u>	<u>31,600,454</u>	<u>31,067,333</u>	<u>19,909,083</u>	<u>23,660,949</u>	<u>31,840,945</u>
Total Net Position	<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>	<u>\$ 90,632,246</u>

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Operating revenues</b>										
Student program fees, net of scholarship	\$ 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	\$ 15,712,428
Student material fees, net of scholarship	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	737,438
Other student fees, net of scholarship	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	929,787
Federal grants	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	27,404,089
State grants	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	3,080,955
Business and industry contract revenue	2,122,728	2,095,590	1,769,275	1,597,989	859,982	1,065,180	871,884	873,530	1,316,450	1,389,907
School District contract revenue	153,476	153,258	196,181	178,302	218,558	242,900	267,295	309,863	274,588	244,450
Auxiliary enterprise revenues	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	9,406,511
Cost reimbursements	82,491	81,750	83,019	79,975	87,194	79,864	68,224	74,717	59,759	70,428
Miscellaneous	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	1,191,771
<b>Total operating revenues</b>	<b>71,431,362</b>	<b>77,382,764</b>	<b>77,664,090</b>	<b>74,517,923</b>	<b>74,620,726</b>	<b>73,813,801</b>	<b>75,934,555</b>	<b>73,358,144</b>	<b>50,732,648</b>	<b>60,167,764</b>
<b>Operating expenses</b>										
Instruction	111,372,469	111,211,738	110,963,880	112,486,244	110,786,748	103,801,205	109,064,599	106,258,865	91,498,550	85,935,547
Instructional resources	7,932,980	8,570,509	6,112,871	5,880,423	5,375,003	7,032,730	2,474,949	2,142,115	4,289,785	3,517,030
Student services	17,617,800	14,290,392	14,347,102	15,534,202	12,553,919	14,361,928	14,112,715	12,743,223	11,631,575	12,165,040
General institutional	14,362,871	13,998,775	18,280,779	16,792,373	15,679,095	15,006,634	14,731,034	13,932,730	14,232,082	10,777,244
Physical plant	10,796,326	27,561,679	3,511,787	14,985,883	12,527,817	15,435,723	13,418,770	15,563,948	12,517,470	12,581,018
Public service	365,999	664,045	348,639	395,696	347,053	360,280	272,402	250,254	246,966	242,165
Auxiliary enterprise services	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	9,636,203
Depreciation	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	4,226,681
Student aid	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	15,972,778
<b>Total operating expenses</b>	<b>204,726,844</b>	<b>210,690,447</b>	<b>205,112,308</b>	<b>205,504,359</b>	<b>200,532,449</b>	<b>190,704,143</b>	<b>193,507,309</b>	<b>184,704,698</b>	<b>153,867,809</b>	<b>155,053,706</b>
<b>Operating loss</b>	<b>(133,295,482)</b>	<b>(139,327,683)</b>	<b>(127,448,114)</b>	<b>(130,986,436)</b>	<b>(125,911,723)</b>	<b>(116,890,342)</b>	<b>(117,572,754)</b>	<b>(111,346,554)</b>	<b>(103,135,161)</b>	<b>(94,885,942)</b>
<b>Non-operating revenues (expenses)</b>										
Property taxes	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	84,648,492
State appropriations	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	14,863,447
Gifts, grants and bequests	3,524,425	967,842	721,743	825,229	660,950	507,954	208,401	644,846	142,979	97,779
Gain (loss) on disposal of capital assets	(144,957)	(158,325)	(262,602)	(13,792)	(5,465)	(145,712)	-	54,347	59,810	35,499
Investment income earned	544,505	182,589	91,664	80,534	199,139	459,290	57,226	330,362	647,245	2,637,386
Interest expense	(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)	(994,642)
<b>Total non-operating revenues</b>	<b>144,882,096</b>	<b>136,415,593</b>	<b>134,729,817</b>	<b>132,765,865</b>	<b>133,431,211</b>	<b>126,543,169</b>	<b>117,195,015</b>	<b>110,574,314</b>	<b>102,377,980</b>	<b>101,287,961</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>\$ 11,586,614</b>	<b>\$ (2,912,090)</b>	<b>\$ 7,281,703</b>	<b>\$ 1,779,429</b>	<b>\$ 7,519,488</b>	<b>\$ 9,652,827</b>	<b>\$ (377,739)</b>	<b>\$ (772,240)</b>	<b>\$ (757,181)</b>	<b>\$ 6,402,019</b>

\* 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
2007	49,154,867,100	15,046,258,900	1,391,779,100	616,366,400	245,295,000	427,138,100	1,672,150,600	1,619,675,000	70,173,530,200	69,274,786,682	1.19897
% of Total	70.0%	21.4%	2.0%	0.9%	0.3%	0.6%	2.4%	2.3%			
2008	50,872,236,300	15,584,109,200	1,448,066,700	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	658,583,400	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	378,042,900	1,689,526,100	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	1,400,088,900	608,345,800	268,804,600	358,948,600	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	339,549,600	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	308,763,800	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%			

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 96% 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 <sup>(2)</sup> PROPERTY TAX RATES  
Last Ten Years  
(Rate per \$1,000 of Equalized Value)

	Calendar Year Taxes are Payable									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District direct rates										
Operational (1)	0.51	0.50821	0.50028	1.39401	\$ 1.37085	\$ 1.34174	\$ 1.32749	\$ 1.18113	\$ 1.08671	\$ 1.07564
Debt Service	0.45	0.41914	0.43346	0.44698	0.44479	0.36770	0.14713	0.13190	0.12470	0.12333
Total Direct Rate	0.97	0.92735	0.93374	1.84099	1.81564	1.70944	1.47462	1.31303	1.21141	1.19897
Adams County										
T Dell Prairie	17.87	17.71	18.09	18.90	17.97	17.31	16.66	15.00	14.68	14.20
T Jackson	18.58	18.89	19.08	20.45	19.24	18.38	18.12	16.44	15.58	14.97
T New Haven	19.24	18.62	19.37	20.17	19.16	18.67	18.08	16.41	16.01	15.55
T Springville	18.96	19.37	19.39	20.94	19.90	18.92	18.50	16.78	15.92	15.07
C Wisconsin Dells	26.06	25.74	26.99	27.82	26.57	26.13	25.62	22.89	21.91	21.60
Columbia County										
T Arlington	20.61	21.28	21.48	22.88	22.04	21.88	20.73	19.63	18.38	18.77
T Caledonia	16.82	17.44	17.48	18.09	18.32	17.78	16.98	16.51	15.58	15.13
T Columbus	19.03	19.88	20.47	21.74	21.26	20.68	19.77	18.31	17.76	18.52
T Courtland	21.47	21.08	19.16	20.75	20.52	19.49	19.00	17.35	16.29	17.37
T Dekorra	17.82	18.51	18.55	20.43	19.10	18.89	17.81	17.06	16.08	15.67
T Fort Winnebago	17.62	18.21	18.30	18.95	19.35	18.73	17.73	17.41	16.66	16.17
T Fountain Prairie	21.45	21.04	21.37	22.34	22.75	22.43	21.42	19.72	17.89	19.61
T Hampden	19.26	20.18	20.55	21.86	21.21	20.69	19.91	18.28	17.69	18.12
T Leeds	20.37	20.84	21.00	22.29	21.87	21.70	20.76	19.17	18.61	18.74
T Lewiston	17.54	18.11	18.19	18.78	19.16	18.62	17.56	17.18	16.58	16.06
T Lodi	19.59	19.67	20.01	20.63	19.90	20.32	19.35	18.52	16.70	16.31
T Lowville	19.13	19.71	19.35	20.53	18.92	19.05	19.32	17.66	16.90	16.31
T Marcellon	17.81	18.77	18.83	20.29	19.62	19.21	18.52	17.61	15.67	15.22
T Newport	17.28	17.28	17.04	17.77	17.16	16.60	16.03	14.64	14.24	14.17
T Otsego	21.85	22.14	21.08	21.44	19.43	19.80	21.54	19.27	18.81	17.63
T Pacific	13.53	13.85	14.44	16.22	14.67	14.77	13.81	12.83	12.63	12.01
T Randolph	19.35	18.54	17.06	19.18	18.63	18.41	17.81	16.30	15.23	16.07
T Scott	18.48	18.04	17.75	19.92	19.41	19.24	18.66	17.33	15.86	15.92
T Springvale	19.86	19.66	18.86	20.23	18.79	18.71	19.31	17.74	16.33	15.73
T West Point	18.25	18.80	19.04	19.62	19.08	18.90	18.24	17.30	15.62	15.44
T Wycocena	18.05	18.64	18.50	19.52	18.69	18.64	18.23	17.24	15.45	14.99
V Arlington	20.64	21.60	21.34	23.22	23.03	22.47	21.35	21.06	20.07	19.68
V Cambria	27.70	26.03	25.46	28.48	26.89	25.73	24.94	23.36	22.29	22.58
V Doylestown	20.06	20.22	19.21	19.38	17.05	17.84	19.79	17.68	17.26	15.96
V Fall River	22.12	21.70	21.33	22.48	23.14	23.01	21.90	20.28	19.23	19.75

**MADISON AREA TECHNICAL COLLEGE DISTRICT**

DIRECT AND OVERLAPPING <sup>(2)</sup> PROPERTY TAX RATES

Last Ten Years

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

	Calendar Year Taxes are Payable									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
V Friesland	22.91	21.45	20.74	23.71	22.58	21.52	21.01	19.01	17.98	18.11
V Pardeeville	21.20	22.53	22.46	24.26	23.67	23.70	22.95	21.73	19.53	19.27
V Poynette	24.92	25.74	25.69	28.07	26.74	25.48	24.69	23.01	21.47	21.75
V Randolph	29.45	30.12	26.58	27.51	28.03	26.48	25.46	24.47	22.88	22.87
V Rio	26.80	26.53	25.76	25.68	22.98	23.84	25.13	22.60	21.72	20.55
V Wycocena	22.60	23.50	23.21	24.33	23.81	23.35	22.55	21.48	19.38	18.86
C Columbus	24.39	25.19	25.85	27.15	26.64	25.86	24.98	23.46	22.49	23.44
C Lodi	25.19	25.15	25.27	26.28	25.00	25.60	24.57	23.24	21.33	21.06
C Portage	24.59	25.10	25.12	25.58	26.24	24.70	23.80	23.15	22.23	21.60
C Wisconsin Dells	23.64	23.36	24.51	25.10	24.20	23.85	23.33	21.00	20.11	20.01
Dane County										
T Albion	18.23	18.08	17.63	18.95	19.35	17.98	17.40	16.03	14.41	14.96
T Berry	18.66	19.43	19.02	19.74	18.95	18.02	18.09	16.83	16.06	15.93
T Black Earth	19.99	20.16	19.51	20.44	19.63	18.47	18.63	17.40	17.07	16.68
T Blooming Grove	19.71	19.89	21.59	22.08	21.70	21.11	20.41	19.04	18.23	18.16
T Blue Mounds	16.18	16.56	17.54	18.98	17.57	17.20	16.36	15.25	14.63	14.57
T Bristol	18.33	18.69	18.84	20.14	19.46	19.03	18.22	16.85	15.92	15.48
T Burke	18.34	18.66	18.70	19.82	19.46	19.33	18.59	16.86	16.27	16.21
T Christiana	17.25	17.19	17.12	18.58	18.96	18.12	17.60	16.02	15.15	14.77
T Cottage Grove	21.85	21.05	21.90	23.04	22.21	21.72	21.04	19.60	19.57	18.48
T Cross Plains	17.86	18.30	18.43	18.70	18.26	17.53	16.93	15.70	14.86	15.04
T Dane	18.02	18.18	18.28	18.92	18.31	18.56	17.90	16.91	15.14	14.86
T Deerfield	19.95	20.12	20.50	21.17	21.39	20.95	19.22	17.81	17.98	16.58
T Dunkirk	19.03	19.25	19.16	20.06	19.68	17.81	16.81	15.29	13.73	13.82
T Dunn	18.89	19.05	19.22	20.22	20.22	18.78	18.01	16.57	15.79	15.75
T Madison	22.88	22.93	22.65	24.32	24.11	23.28	22.72	21.23	20.48	20.80
T Mazomanie	18.02	18.33	17.73	18.61	17.99	16.80	16.98	15.97	15.53	15.24
T Medina	18.68	20.53	20.52	21.77	19.02	17.99	17.33	16.51	16.62	16.37
T Middleton	17.81	18.85	18.78	19.43	19.01	18.25	18.18	16.86	15.70	15.44
T Montrose	18.74	18.95	18.85	19.75	19.09	18.11	17.19	16.34	15.80	16.10
T Oregon	18.93	19.23	18.96	20.18	19.85	19.22	18.54	17.21	16.42	16.93
T Perry	18.30	18.61	19.08	19.87	18.73	18.37	17.55	16.29	15.76	15.96
T Pleasant Springs	17.32	17.40	17.33	18.39	18.21	16.76	15.92	14.67	13.83	13.46
T Primrose	18.23	18.53	18.77	18.99	18.73	18.58	17.67	16.36	15.73	15.94
T Roxbury	16.66	17.61	17.73	18.16	17.63	17.17	17.05	15.74	14.16	14.24
T Rutland	18.96	19.23	19.12	20.33	19.88	18.61	17.85	15.99	15.07	15.13
T Springdale	16.47	16.70	17.31	17.96	17.56	17.03	16.26	15.09	14.61	14.46
T Springfield	17.39	18.34	17.82	18.45	18.09	17.49	17.51	16.23	14.92	14.92

UNAUDITED DRAFT  
For Discussion Purposes Only  
Subject to Change

MADISON AREA TECHNICAL COLLEGE DISTRICT

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

		Calendar Year Taxes are Payable									
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
T	Sun Prairie	19.56	20.12	20.08	21.31	20.44	19.85	19.03	17.82	17.05	16.54
T	Vermont	18.62	18.92	18.87	19.74	19.00	18.25	17.95	16.73	16.37	16.18
T	Verona	20.34	20.41	20.32	21.51	21.83	20.94	20.47	19.29	18.82	18.23
T	Vienna	19.08	19.30	19.14	20.10	19.67	19.81	19.34	18.00	16.87	16.47
T	Westport	18.15	18.47	18.21	19.05	18.77	18.25	17.93	16.74	15.18	15.02
T	Windsor	0.00	20.97	21.28	22.26	21.75	21.53	20.73	18.38	17.92	17.64
T	York	18.03	19.08	19.30	20.47	19.12	18.49	17.53	16.60	16.00	16.37
V	Belleville	23.99	24.08	24.05	24.72	23.91	22.34	20.95	20.45	19.68	20.41
V	Black Earth	23.53	24.25	23.28	21.66	22.87	21.21	21.70	20.47	19.80	19.26
V	Blue Mounds	21.76	22.14	22.26	23.08	21.96	21.35	20.59	18.92	18.46	18.11
V	Brooklyn	24.79	25.63	25.82	26.38	25.12	24.74	23.47	21.83	20.97	21.17
V	Cambridge	25.01	25.15	24.70	26.25	26.27	25.11	24.65	22.55	21.73	19.78
V	Cottage Grove	24.10	23.12	23.66	23.86	22.71	22.37	21.92	20.72	21.58	20.23
V	Cross Plains	22.06	22.79	22.67	23.11	22.83	22.13	22.02	20.30	19.04	19.02
V	Dane	23.81	23.96	24.11	24.88	23.04	23.07	22.30	20.75	18.56	18.35
V	Deerfield	24.08	23.85	24.67	24.37	24.06	24.01	22.16	20.78	20.80	18.93
V	Deforest	22.41	22.70	22.64	23.76	23.50	23.02	22.12	20.29	20.04	20.08
V	Maple Bluff	22.86	23.10	23.34	23.36	22.89	22.21	22.10	20.39	19.55	19.78
V	Marshall	23.60	25.78	25.61	26.28	23.19	21.46	20.66	19.94	19.70	19.12
V	Mazomanie	23.88	26.87	26.30	24.57	22.94	22.04	21.65	20.47	19.80	19.29
V	McFarland	23.63	23.14	23.86	24.95	24.84	23.38	22.88	21.38	20.77	20.80
V	Mount Horeb	20.39	20.37	21.27	22.06	21.43	21.00	20.12	18.93	18.55	18.59
V	Oregon	21.50	21.07	21.80	23.23	22.74	22.15	21.25	19.92	19.06	19.00
V	Rockdale	21.75	21.73	21.69	23.36	23.69	22.79	22.32	20.51	19.66	19.35
V	Shorewood Hills	21.42	21.67	21.50	22.46	21.86	20.79	20.17	18.74	17.78	18.21
V	Waunakee	21.98	22.15	22.09	23.36	23.20	22.66	22.11	20.96	19.36	19.06
V	Windsor	20.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C	Edgerton	22.55	22.59	22.43	23.84	23.93	22.28	21.56	19.80	17.94	18.65
C	Fitchburg	24.54	24.42	24.06	25.07	24.66	23.89	23.01	21.08	20.30	19.95
C	Madison	25.16	25.25	25.11	26.04	25.40	24.37	23.53	21.73	20.64	20.72
C	Middleton	20.91	22.48	22.32	22.51	21.77	20.78	20.35	19.02	17.57	17.60
C	Monona	24.42	23.26	23.71	24.94	23.86	23.63	22.49	21.24	21.12	19.67
C	Stoughton	23.96	24.34	24.20	25.17	24.52	22.44	21.17	19.85	18.56	18.43
C	Sun Prairie	24.71	25.26	25.51	26.69	26.18	25.47	24.52	22.86	21.91	21.44
C	Verona	21.95	22.80	22.91	24.12	24.30	23.51	23.01	21.68	21.34	20.20
Dodge County											
T	Calamus	18.42	18.52	18.65	19.76	20.04	20.16	20.21	18.75	17.66	17.93
T	Clyman	20.90	21.05	21.15	22.04	21.43	21.14	21.12	19.99	18.87	19.79

**MADISON AREA TECHNICAL COLLEGE DISTRICT**

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

	Calendar Year Taxes are Payable									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
T Elba	19.27	19.82	20.20	21.59	20.85	20.17	19.48	19.01	17.24	17.96
T Emmet	18.50	18.41	18.87	20.30	20.38	19.68	19.00	17.55	16.73	16.84
T Fox Lake	19.50	20.23	19.81	21.22	20.95	20.03	20.02	18.09	17.25	17.54
T Lebanon	20.05	20.01	19.84	21.45	21.30	20.49	19.84	18.62	17.83	18.03
T Lowell	21.03	21.41	21.25	22.57	22.12	19.74	22.22	21.46	19.78	20.56
T Portland	19.07	20.20	20.12	21.28	20.41	20.63	19.43	19.29	17.69	18.16
T Shields	18.89	18.75	19.18	20.56	20.73	20.14	19.48	18.01	17.23	16.71
T Westford	18.30	18.45	17.40	18.27	18.56	18.13	18.28	17.05	16.07	16.34
V Randolph	31.84	33.00	29.01	30.08	30.96	29.28	28.16	26.62	24.77	25.53
C Watertown	25.54	25.40	25.62	26.81	26.63	25.27	24.30	22.17	21.02	20.71
Green County										
T Adams	21.95	20.30	21.14	22.22	22.26	21.97	21.60	20.54	20.06	19.25
T Brooklyn	23.28	23.92	23.90	23.24	22.59	22.12	21.35	20.22	18.85	18.52
T Exeter	20.30	20.58	20.82	21.83	21.16	20.35	19.19	18.43	17.70	17.63
T New Glarus	23.25	23.70	23.54	24.55	23.97	23.98	23.02	21.63	20.39	20.38
T Washington	21.08	21.53	22.29	23.72	23.08	22.41	22.19	21.19	19.29	17.51
T York	21.01	21.27	21.95	23.14	22.70	22.71	22.37	21.45	19.95	19.11
V Belleville	26.26	26.44	26.51	27.28	26.51	25.00	23.60	23.17	22.11	21.48
V Brooklyn	26.98	27.99	28.30	28.97	27.77	27.47	26.14	24.56	23.42	23.33
V New Glarus	27.34	27.92	28.31	29.34	28.60	28.66	27.19	25.47	24.01	23.90
Iowa County										
T Arena	19.85	19.46	19.90	20.75	20.10	19.48	19.21	18.19	16.64	16.60
T Clyde	21.61	21.07	21.38	22.44	21.73	21.29	21.61	19.51	17.83	17.85
T Dodgeville	21.69	20.05	20.67	22.84	21.97	21.59	21.53	20.51	18.78	19.18
T Moscow	23.37	23.04	24.37	25.25	24.49	24.50	24.87	23.88	22.09	21.36
T Ridgeway	23.99	22.54	23.21	25.45	24.94	24.34	24.18	24.00	22.34	22.69
T Wyoming	20.36	19.58	20.19	22.24	20.73	20.38	20.17	19.14	17.48	17.40
V Arena	28.43	28.08	27.59	28.42	27.01	25.88	26.98	25.77	24.72	23.73
Jefferson County										
T Aztalan	19.77	19.72	20.04	20.25	20.14	19.22	18.39	16.78	15.88	15.08
T Cold Spring	18.88	18.82	19.23	19.87	19.27	18.48	18.26	16.70	15.64	15.46
T Concord	17.71	17.88	18.11	18.99	19.24	18.03	17.45	16.07	15.09	14.84
T Farmington	18.16	17.81	17.87	17.35	17.29	16.63	15.85	14.66	14.23	13.95
T Hebron	19.82	19.73	20.02	21.12	20.76	18.71	17.97	16.34	15.48	15.51
T Ixonia	17.50	17.90	18.04	19.30	19.58	18.23	17.79	16.67	15.38	15.01
T Jefferson	19.40	19.47	19.45	20.26	20.02	19.60	17.68	15.82	14.75	14.43



**MADISON AREA TECHNICAL COLLEGE DISTRICT**

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

		Calendar Year Taxes are Payable									
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
T	Koshkonong	17.94	17.84	17.90	19.19	18.82	18.13	17.60	16.14	15.25	15.48
T	Lake Mills	17.90	17.94	17.82	19.04	18.96	17.34	17.20	15.90	15.48	13.52
T	Milford	17.94	18.40	18.01	18.98	18.48	17.09	16.75	15.50	15.05	13.51
T	Oakland	20.77	20.58	20.62	22.14	22.39	21.39	20.94	19.32	18.28	18.05
T	Palmyra	18.20	18.76	19.25	19.67	19.09	18.69	17.81	16.70	15.60	15.29
T	Sullivan	19.25	19.48	19.93	20.64	20.40	19.78	18.68	17.22	16.10	15.65
T	Sumner	18.76	18.83	18.72	19.86	19.87	18.89	18.37	16.89	15.64	16.16
T	Waterloo	18.05	19.07	19.25	20.10	19.37	18.90	18.01	17.38	16.19	15.66
T	Watertown	16.23	16.21	16.55	17.50	17.52	16.74	16.18	14.70	13.91	13.83
V	Cambridge	26.46	26.61	26.06	27.57	27.66	26.36	25.99	23.07	22.69	21.06
V	Johnson Creek	24.45	24.72	24.50	22.98	22.72	21.04	20.33	19.41	18.95	18.85
V	Sullivan	23.39	23.33	23.95	24.89	24.18	23.67	22.22	19.05	17.99	17.41
C	Fort Atkinson	25.17	24.75	24.50	26.04	25.25	24.41	23.93	21.93	20.81	21.01
C	Jefferson	25.75	25.44	26.03	26.51	25.72	24.62	22.98	20.65	19.64	18.94
C	Lake Mills	24.01	24.12	23.68	23.37	24.92	23.04	22.73	21.28	20.96	18.65
C	Waterloo	24.80	26.21	26.78	28.05	26.07	26.29	24.49	24.27	22.28	22.16
C	Watertown	24.45	24.28	24.57	25.57	25.34	23.92	23.00	20.84	19.73	19.35
C	Whitewater	22.89	22.50	23.07	23.31	22.64	21.68	21.50	19.78	18.72	18.49
<b>Juneau County</b>											
T	Lindina	20.94	21.94	22.23	24.23	22.89	22.78	22.13	21.00	19.49	18.65
T	Lyndon	18.93	19.11	19.57	20.62	19.71	19.24	18.60	17.01	16.00	15.85
T	Seven Mile Creek	24.54	25.60	26.14	27.90	26.39	26.17	25.33	24.07	22.52	22.05
T	Summit	24.53	25.45	26.65	27.71	26.22	26.45	24.92	23.38	22.70	22.12
T	Wonewoc	23.72	24.74	25.06	26.96	24.59	24.02	23.86	21.34	21.18	21.28
V	Union Center	25.32	26.15	27.40	28.28	25.47	25.21	24.11	22.06	21.18	21.13
V	Wonewoc	28.28	28.65	29.64	31.19	28.82	28.93	26.80	24.42	23.73	23.59
C	Wisconsin Dells	25.22	25.04	26.27	26.70	25.60	25.34	24.70	22.14	20.89	21.03
<b>Marquette County</b>											
T	Buffalo	20.58	19.11	18.58	19.67	18.65	17.55	17.17	17.45	16.49	15.91
T	Crystal Lake	18.10	19.21	19.11	20.25	19.22	18.14	18.40	16.55	15.56	15.98
T	Douglas	19.29	19.62	19.61	20.35	19.65	18.73	18.22	16.73	16.34	16.45
T	Harris	19.17	20.48	20.16	20.56	19.47	18.40	18.74	16.90	15.86	16.25
T	Mecan	20.18	19.39	18.61	19.67	18.71	17.61	17.20	17.36	16.49	15.91
T	Montello	20.48	19.09	18.58	19.59	18.57	17.59	17.21	17.40	16.44	15.87
T	Moundville	20.50	20.55	20.11	20.78	20.89	20.00	19.11	18.23	17.67	17.49
T	Neshkoro	18.43	19.60	19.12	20.30	19.24	18.11	18.23	16.63	15.75	16.01
T	Newton	18.91	20.24	20.05	21.23	19.97	18.89	19.22	17.37	16.51	16.79

MADISON AREA TECHNICAL COLLEGE DISTRICT

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

	Calendar Year Taxes are Payable									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
T Oxford	18.99	20.21	19.69	20.80	19.33	18.18	18.46	16.66	15.67	15.92
T Packwaukee	21.05	19.72	19.07	20.30	19.06	18.02	17.72	17.72	16.81	16.33
T Shields	21.06	19.56	19.01	20.04	18.98	17.93	17.52	17.79	16.79	16.19
T Springfield	17.99	19.18	18.98	20.14	19.09	18.00	18.32	16.50	15.56	15.91
T Westfield	17.98	19.18	18.94	19.85	18.77	17.74	18.06	16.28	15.28	15.61
V Endeavor	26.48	26.73	26.10	26.41	26.16	25.02	24.14	22.90	22.02	22.19
V Neshkoro	22.95	24.14	24.01	24.99	24.01	22.75	22.98	21.01	20.16	20.60
V Oxford	23.45	24.81	24.53	25.83	24.25	23.03	23.52	21.87	20.42	20.27
V Westfield	25.96	27.17	27.00	28.12	26.79	25.52	25.39	23.82	22.30	22.94
C Montello	29.68	28.27	26.84	26.53	25.85	24.32	23.16	23.24	21.61	20.67
Richland County										
T Buena Vista	18.66	19.08	19.28	19.96	19.77	18.99	19.34	19.47	18.27	18.10
T Ithaca	22.55	23.82	23.31	25.03	25.34	25.50	25.19	24.38	22.90	22.43
T Westford	23.13	24.90	23.82	23.77	25.31	23.18	24.46	23.15	22.53	20.38
V Lone Rock	22.07	22.25	22.84	23.99	23.01	22.11	21.76	21.12	19.37	19.14
Rock County										
T Porter	21.11	21.75	21.75	22.28	22.02	20.88	20.31	18.98	17.87	17.90
T Union	22.66	21.04	20.32	23.85	22.83	21.85	21.22	19.83	19.16	18.30
Sauk County										
T Baraboo	17.30	17.27	17.68	18.14	17.77	17.05	17.10	16.68	15.30	15.12
T Bear Creek	21.47	21.74	22.25	22.84	22.61	21.85	21.52	20.76	19.42	19.03
T Dellona	16.12	15.49	16.41	17.08	16.07	15.59	15.17	14.04	13.50	13.12
T Delton	16.34	16.32	16.84	16.59	16.25	15.65	15.61	14.97	13.93	13.72
T Excelsior	17.04	17.45	18.36	19.28	18.70	18.06	17.38	16.55	15.47	15.33
T Fairfield	16.92	16.93	17.26	17.67	17.37	16.69	16.76	16.29	14.95	14.82
T Franklin	21.15	20.87	21.60	21.49	20.98	20.26	19.82	18.99	17.43	16.86
T Freedom	20.59	21.03	21.65	22.45	21.93	21.26	20.34	19.50	17.89	17.66
T Greenfield	17.37	17.34	17.58	17.98	17.68	17.01	17.12	16.64	15.34	15.17
T Honey Creek	19.57	20.30	21.16	21.42	21.01	20.43	20.12	18.95	17.08	17.03
T Ironton	20.74	21.57	21.90	22.84	22.51	21.45	21.71	20.27	19.58	18.55
T La Valle	17.94	18.42	19.31	20.36	19.37	18.95	18.07	17.29	16.30	15.61
T Merrimac	16.38	17.11	17.45	17.76	17.32	16.83	16.71	15.82	14.33	14.22
T Prairie Du Sac	16.66	17.51	17.91	18.22	17.85	17.36	17.21	16.27	14.73	14.60
T Reedsburg	16.45	17.04	17.97	19.04	18.34	17.72	17.01	16.26	14.93	14.68
T Spring Green	19.52	19.65	19.74	20.89	19.47	18.70	18.46	17.45	16.03	15.12
T Sumpter	18.70	19.15	19.84	19.97	18.88	18.28	17.52	16.56	14.71	15.07

**MADISON AREA TECHNICAL COLLEGE DISTRICT**

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

	<b>Calendar Year Taxes are Payable</b>									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
T Troy	19.01	20.11	20.67	21.03	20.53	20.02	19.92	18.54	16.99	16.16
T Washington	22.45	24.02	23.15	23.98	24.26	22.45	23.02	21.88	21.28	19.07
T Westfield	19.21	19.79	21.14	22.31	21.69	21.04	20.09	19.22	17.98	17.85
T Winfield	16.62	17.23	18.11	19.25	18.53	17.95	17.16	16.42	15.25	15.00
T Woodland	19.77	20.48	21.86	22.92	20.79	20.85	19.97	18.47	17.95	17.47
V Ironton	21.21	21.98	22.94	23.54	22.86	22.25	22.13	20.75	19.42	19.67
V Lake Delton	16.17	16.07	17.10	17.59	17.11	16.67	16.27	14.89	14.52	14.17
V La Valle	22.78	23.15	23.44	24.63	23.95	23.36	22.34	20.95	19.32	19.23
V Loganville	25.47	25.30	26.10	26.58	25.41	24.75	23.74	22.50	21.37	21.31
V Merrimac	18.72	19.54	20.27	20.45	20.12	19.56	19.72	19.17	18.20	17.76
V North Freedom	21.06	20.80	21.12	20.37	19.98	18.97	19.00	18.23	16.73	16.31
V Plain	26.22	25.63	25.80	26.11	25.84	24.28	23.09	22.42	20.67	20.21
V Prairie Du Sac	22.24	23.46	23.21	23.45	22.92	22.38	22.01	20.63	18.83	18.08
V Rock Springs	22.86	23.66	24.50	23.48	22.91	22.12	21.31	20.05	18.26	18.23
V Sauk City	21.25	22.29	23.13	23.38	22.89	22.25	22.05	20.93	19.21	19.07
V Spring Green	23.38	23.43	24.59	25.21	24.06	23.38	23.00	21.59	20.08	19.90
V West Baraboo	24.87	24.64	24.90	24.92	24.41	23.45	23.04	22.90	21.56	21.13
C Baraboo	25.40	25.21	25.51	25.81	25.21	23.79	23.69	23.11	21.29	21.38
C Reedsburg	25.06	25.95	27.20	27.84	26.24	24.56	23.45	22.00	20.68	20.55
C Wisconsin Dells	23.23	23.97	24.37	24.92	23.81	23.50	23.21	20.92	19.99	19.77

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		Collected within the Fiscal Year of the Levy		
		Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2008	\$ 82,637,000	\$ 57,932,629	70.00%	\$ 24,704,371	\$ 82,637,000	100.00%
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	54,736,884	75.26	17,991,634	72,728,318	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	2016			2007		
		Equalized Valuation	Rank	Percent of MATC Total Equalized Valuation	Equalized Valuation	Rank	Percent of MATC Total Equalized Valuation
Epic Systems Corporation	Medical Software	\$ 983,174,075	1	1.31 %	\$ 216,332,400	1	0.31 %
Madison Joint Venture	Shopping Centers	179,343,600	2	0.24	191,420,000	2	0.28
American Family Insurance	Insurance	142,734,800	3	0.19	159,127,200	3	0.23
Greenway Office Center, LLC	Property Management	121,433,492	4	0.16	125,073,900	5	0.18
Promega Corporation	Biotechnology	103,564,719	5	0.14			
Covance Laboratories, Inc.	Research	79,586,000	6	0.11	76,269,000	6	0.11
University Research Park	Research & Technology Park	53,702,300	7	0.10	126,195,100	4	0.18
777 University Ave LLC	Property Management	57,060,000	8	0.08			
CMFG Life Insurance Co	Insurance	52,596,500	9	0.07			
Core Campus Madison LLC	Property Development	51,910,000	10	0.07			
Greenway Center LLC	Property Development				49,448,500	7	0.07
Sub-Zero Wolf	Cooking Appliances				47,691,400	8	0.07
Hilldale Land Co LLC	Property Development				44,352,000	9	0.06
Wingra Building Group	Property Development				41,857,300	10	0.06
	<b>Totals</b>	<b>\$ 1,845,105,486</b>		<b>2.50 %</b>	<b>\$ 1,077,766,800</b>		<b>1.60 %</b>
	<b>MATC Total Equalized Valuation</b>	<b>\$ 75,308,348,768</b>			<b>\$ 68,923,169,014</b>		

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		
2008	7,454	10,826	5,306	16,291	5,680	2,475		41,848
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

Full-time Equivalents (b)

Year	Aidable					Non-Aidable		Total
	College Transfer	Associate Degree	Technical Diploma	Vocational Adult	Non-Post Secondary	Total Aidable	Community Service	
2008	3,088	4,379	1,032	375	489	9,363	65	9,428
2009	3,237	4,465	1,039	277	531	9,549	55	9,604
2010	3,683	5,196	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

**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)	62*	62 and Over*
2007-08	124.70	353.40	92.05	570.55	127.14	95.36
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

**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 \$10.80 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 \$1.30 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 <sup>(1)</sup>	Equalized Valuation - TID In	General Obligation Notes and Bonds	Premiums on Notes and Bonds	Capital Lease	Net Total Debt <sup>(2)</sup>		
						Amount	Percent of Equalized Valuation	Per Capita
2008	723,269	72,053,248,164	19,950,000	-	96,638	20,046,638	0.03	28
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	37,650,000	-	82,587	37,632,587	0.05	52
2011	732,341	72,854,834,126	104,245,000	698,026	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

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, 2016

Name of Entity <sup>(1)</sup>	Net Debt Outstanding	Percent Applicable to District <sup>(2)</sup>	Outstanding Debt Applicable to District
Adams County	\$ 8,385,000	16.79%	\$ 1,407,753
Columbia County	42,750,000	99.89%	42,703,986
Dane County	321,075,000	99.98%	321,016,182
Dodge County	33,130,000	18.28%	6,057,119
Green County	9,795,000	23.74%	2,325,688
Iowa County	2,508,577	15.64%	392,302
Jefferson County	15,645,000	87.84%	13,741,934
Juneau County	12,439,930	9.43%	1,172,570
Marquette County	11,461,180	97.93%	11,223,922
Richland County	25,310,000	7.16%	1,812,059
Rock County	42,370,001	0.19%	82,206
Sauk County	18,225,000	98.53%	17,957,319
Total Cities	954,220,603	Varies	845,900,805
Total Villages	246,864,625	Varies	235,181,232
Total Towns	12,332,429	Varies	12,332,429
Total School Districts	902,525,673	Varies	902,505,088
Madison Metropolitan Sewerage District	131,326,680	100.00%	131,326,680
Subtotal, overlapping debt			2,547,139,275
District Direct Debt			
General Obligation Notes			71,305,000
General Obligation Bonds			99,820,000
Premiums on Notes and Bonds			8,368,585
Capital Lease			44,417
Subtotal, District direct debt			179,538,002
Total direct and overlapping debt			<u>\$ 2,726,677,277</u>

UNAUDITED DRAFT  
For Discussion Purposes Only  
Subject to Change

<u>Statistical Summary</u>	
2017 Equalized Valuation - TIDV	<u>\$ 78,612,374,268</u>
Direct District Indebtedness	179,538,002
Overlapping and Underlying Bonded Indebtedness	<u>2,547,139,275</u>
Total Direct, Overlapping and Underlying Indebtedness	<u>\$ 2,726,677,277</u>
Direct, Overlapping and Underlying Indebtedness as a Percentage of Equalized Valuation	3.47%
Population of District	775,673
Direct, Overlapping and Underlying Indebtedness - Per Capita	<u>\$ 3,515.24</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**

	5%	2%
	<u>Debt Limit</u>	<u>Debt Limit</u>
<b>Legal Debt Margin Calculation for Fiscal Year 2017</b>		
2016 Equalized Valuation - TID In	\$ 78,612,374,268	\$ 78,612,374,268
	x 5%	x 2%
<b>Total debt limit - 5% of equalized valuation</b>	<b>3,930,618,713</b>	<b>1,572,247,485</b>
Debt applicable to limit:		
General obligation notes	71,305,000	71,305,000
General obligation bonds	99,820,000	99,820,000
Less: debt service funds available (GAAP Basis)	<u>(2,283,377)</u>	<u>(2,283,377)</u>
<b>Total amount of debt applicable to debt limit</b>	<b>168,841,623</b>	<b>168,841,623</b>
<b>Legal total debt margin</b>	<b>\$ 3,761,777,090</b>	<b>\$ 1,403,405,862</b>

**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>
2007	3,373,627,444	21,554,296	3,352,073,148	0.64
2008	3,602,662,408	20,046,638	3,582,615,770	0.56
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

\* 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 <sup>(1)</sup>  
Historical Comparisons

Year	District Population <sup>(3)</sup>	County Population <sup>(2)</sup>			Personal Income <sup>(5)</sup>	Per Capita Personal Income <sup>(4)</sup>			Unemployment Rate <sup>(6)</sup>		
		Dane	Jefferson	Sauk		Dane	Jefferson	Sauk	Dane	Jefferson	Sauk
2008	723,269	471,559	81,022	61,086	26,909,678	45,712	34,400	36,074	3.6	4.7	3.9
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	50,341	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	(7)	(7)	(7)	(7)	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

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. 2017 Unemployment rates are as of June 2017.
- (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	2017 <sup>(1)</sup>			2008 <sup>(2)</sup>		
			Number of Employees	Rank	Percent of District Population	Number of Employees	Rank	Percent of District Population
State of Wisconsin	Dane	Government	36,475	1	4.70 %	47,237	1	6.53 %
University of Wisconsin-Madison	Dane	University/College	14,484	2	1.86			
UW Hospital and Clinics	Dane	Healthcare	7,447	3	0.96	6,000	2	
EPIC Systems	Dane	Software Services	7,400	4	0.95			
American Standard Insurance	Dane	Insurance	4,000	5	0.52			
Madison Metropolitan School District	Dane	Education	3,591	6	0.46	4,006	4	0.55
WPS Insurance Corporation	Dane	Health Benefits/Insurance	3,500	7	0.45	4,800	3	0.66
Meriter Home Health	Dane	Home Health Service	3,000	8	0.39			-
American Family Insurance	Dane	Insurance	2,000	9	0.26	3,000	9	0.41
CUNA Mutual Holding Co	Dane	Insurance	2,000	10	0.26			-
U.S. Government	Dane	Government				3,800	5	0.53
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
Dane County	Dane	Government				3,134	8	0.43
City of Madison	Dane	Government				2,918	10	0.40
			<b>Total</b>		<b>83,877</b>			<b>10.81 %</b>
						<b>81,676</b>		<b>11.29 %</b>

Notes:

(1) Source: PMA, Inc. via Madison Area Technical College General Obligation Promissory Notes, Series 2016-17F, dated 6/27/17

(2) Source: Madison College's Comprehensive Annual Financial Report for year ended June 30, 2008

**MADISON AREA TECHNICAL COLLEGE DISTRICT**

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

	Full Time Employees as of June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b><u>District Total:</u></b>										
Administrative	103	86	81	98	101	102	105	93	86	76
Faculty Instructors	470	473	474	440	450	446	448	451	439	434
Professional Non-faculty	22	18	16	2	4	11	11	7	8	7
Clerical/Secretarial	130	130	131	116	117	127	135	141	139	137
Technicians/Para-professional	222	216	194	218	209	205	184	180	174	169
Service/Maintenance	66	59	57	54	60	67	73	61	59	59
	1,013	982	953	929	941	958	956	933	905	882

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 <sup>(3)</sup> (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 <sup>(1)</sup>
2008	120,878	5.2	9,428	0.8	12,821	4.3	12,797	6
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	<sup>(2)</sup>	<sup>(2)</sup>

(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 <sup>(1)</sup>**  
 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>
2007	3,359	1,866	94	74	81	2,634	98
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	1,860	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

**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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>MC-Madison</b>										
District Administration (1)	-	14,265	14,265	14,265	18,506	18,506	18,506	18,506	18,506	18,506
Truax Campus	-	-	-	-	-	852,320	852,320	852,320	851,920	851,920
Main Building	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	-	-	-	-	-
Protective Services Building	81,410	81,410	81,410	81,410	81,410	-	-	-	-	-
Animal Holding	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	14,056
<b>MC-North Property</b>										
North Court	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	19,160	19,160	-	-	-
Sub-Total	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	1,198,718
<b>MC-Fort Atkinson Campus</b>	36,840	36,840	36,840	36,840	36,840	28,840	28,840	28,840	28,840	28,840
<b>MC-Portage Campus</b>	17,982	17,982	17,982	17,982	17,982	15,655	15,655	15,655	15,655	15,655
<b>MC-Reedsburg Campus</b>	29,559	29,559	29,559	29,559	29,559	19,782	19,782	19,782	19,782	19,782
<b>MC-Watertown Campus</b>	37,441	37,441	37,441	37,441	37,441	24,441	24,441	24,441	24,441	24,441
Sub-Total	121,822	121,822	121,822	121,822	121,822	88,718	88,718	88,718	88,718	88,718
<b>Other (Leased)</b>										
Community Development Authority	-	-	-	-	-	-	-	4,850	4,850	4,850
Foundation Centre, 3591 Anderson Street	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	11,000
McAllen Center, 3513 Anderson, Suite 112	-	-	-	1,580	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	2,385
PacJet Financial Ltd.	-	-	-	-	-	482	-	600	600	600
Portage Enterprise Center Suite A	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	-	-	-	-	-	-	-
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	11,552	8,614	8,614	8,614	3,000
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	-	-	-	-	-	-	-	-
TEC Center	-	-	-	-	-	-	-	-	-	-
Village of Plain, 510 Green Blvd	-	-	1,490	1,490	1,490	-	-	-	-	-
Sub-Total	68,295	68,295	158,699	169,514	169,514	133,258	129,838	131,788	88,415	24,795
<b>Total Square Footage</b>	<b>1,928,870</b>	<b>1,928,870</b>	<b>2,019,274</b>	<b>2,044,354</b>	<b>2,050,154</b>	<b>1,559,813</b>	<b>1,556,393</b>	<b>1,419,624</b>	<b>1,375,851</b>	<b>1,312,231</b>

Source: Madison College Office of Facility Services Director.

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



**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, WI 53713

West Madison Education Center, 8017 Excelsior Drive  
Madison, WI 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

## **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.

UNASSISTED DATA  
For Discussion  
Subject to Change

**MADISON AREA TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2017

Assistance program	Federal catalog number	Grant number	Grant dates	Federal grant amount	Revenues			Passed Through to Sub-Recipients
					Federal	Match	Total Expenditures	
<b>Department of Agriculture</b>								
Child & Adult Care Food Program	10.558							
WI Department of Public Instruction								
Meal Reimbursement Child & Family Center		N/A	07/01/16 - 06/30/17	\$ 4,607	\$ 4,607	\$ -	\$ 4,607	\$ -
<b>Total Department of Agriculture</b>				<b>\$ 4,607</b>	<b>\$ 4,607</b>	<b>\$ -</b>	<b>\$ 4,607</b>	<b>\$ -</b>
<b>Bureau of Indian Affairs</b>								
Indian Education-Higher Education Grant Program	15.114	N/A	07/01/16 - 06/30/17	116,299	116,299	-	116,299	-
<b>Total Bureau of Indian Affairs</b>				<b>\$ 116,299</b>	<b>\$ 116,299</b>	<b>\$ -</b>	<b>\$ 116,299</b>	<b>\$ -</b>
<b>Department of Labor</b>								
Workforce Investment Act Cluster								
Workforce Investment Act Title 1 - Adult	17.258							
Workforce Development Board of South Central Wisconsin								
Training Navigator - Adult		16-593-2017-TN	07/01/16 - 06/30/17	143,746	136,340	-	136,340	-
Career Pathways - Adult		16-6200-2017-CP	07/01/16 - 06/30/17	208,182	134,694	-	134,694	-
				<b>351,928</b>	<b>271,034</b>	<b>-</b>	<b>271,034</b>	<b>-</b>
Workforce Investment Act Title 1 - Youth	17.259							
Workforce Development Board of South Central Wisconsin								
Training Navigator-Out of School Youth		16-593-2017-TN	07/01/16 - 06/30/17	111,287	105,553	-	105,553	-
Training Navigator-In School Youth		16-593-2017-TN	07/01/16 - 06/30/17	32,458	30,786	-	30,786	-
Career Pathways - Out of School Youth		16-6200-2017-CP	07/01/16 - 06/30/17	79,308	51,312	-	51,312	-
Middle College -Out of School Youth		16-590-11-2017	07/01/16 - 06/30/17	16,410	16,371	-	16,371	-
Middle College - In School Youth		16-590-11-2017	07/01/16 - 06/30/17	132,770	132,453	-	132,453	-
Gateway to College - Out of School Youth		16-300-2017-OSY	07/01/16 - 06/30/17	70,000	63,000	-	63,000	-
				<b>442,233</b>	<b>399,475</b>	<b>-</b>	<b>399,475</b>	<b>-</b>
Workforce Investment Act Title 1 - Dislocated Worker	17.278							
Workforce Development Board of South Central Wisconsin								
Training Navigator - DLW		16-593-2017-TN	07/01/16 - 06/30/17	61,205	58,054	-	58,054	-
Training Navigator - Transition		16-593-2017-TN	07/01/16 - 06/30/17	115,000	109,072	-	109,072	-
Career Pathways - DLW		16-6200-2017-CP	07/01/16 - 06/30/17	208,182	134,694	-	134,694	-
Computer Skills Academy		16-300-2017-1	07/01/16 - 06/30/17	11,075	9,503	-	9,503	-
				<b>395,462</b>	<b>311,323</b>	<b>-</b>	<b>311,323</b>	<b>-</b>
<b>Total Workforce Investment Act Cluster</b>				<b>1,189,623</b>	<b>981,833</b>	<b>-</b>	<b>981,833</b>	<b>-</b>

UNAUDITED DRAFT  
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**MADISON AREA TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2017

Assistance program	Federal catalog number	Grant number	Grant dates	Federal grant amount	Revenues			Passed Through to Sub-Recipients
					Federal	Match	Total Expenditures	
<b><u>Department of Labor (continued)</u></b>								
Employment and Training Administration Trade Adjustment Assistance Community College and Career (TAACCT)	17.282							
Consortium for Bioscience Credentials		TC-23761-12-60-A-37	10/01/12 - 09/30/16	\$ 418,284	\$ 47,348	\$ -	\$ 47,348	\$ -
INTERFACE Project		TC-25119-13-60-A-55	10/01/13 - 09/30/17	1,895,538	210,943	-	210,943	-
ACT For Healthcare		TC-26455-14-60-A-55	10/01/14 - 09/30/18	1,442,833	721,120	-	721,120	-
				3,756,655	979,410	-	979,410	-
<b>Total Department of Labor</b>				<b>\$ 4,946,278</b>	<b>\$ 1,961,243</b>	<b>\$ -</b>	<b>\$ 1,961,243</b>	<b>\$ -</b>
<b><u>Department of Transportation</u></b>								
Pipeline and Hazardous Materials Safety Administration Hazardous Materials Public Sector Training and Planning Grants	20.703	N/A	07/01/16 - 06/30/17	5,367	5,367	-	5,367	-
<b>Total Department of Transportation</b>				<b>\$ 5,367</b>	<b>\$ 5,367</b>	<b>\$ -</b>	<b>\$ 5,367</b>	<b>\$ -</b>
<b><u>National Science Foundation</u></b>								
Geosciences	47.050							
MRI: Development of a Modern Polar Climate and Weather Automated Observing System		DUE-PLR-1624904	09/01/16 - 08/31/18	603,427	46,418	-	46,418	674
Education and Human Resources	47.076							
Bio-Link: National Technology Education Center for Biotechnology		DUE-1400721	09/01/14 - 08/31/17	366,000	79,492	-	79,492	-
Advanced Technology Education								
Scaling Implementation of Stem Cell Tech Ed		DUE-1501553	09/01/15 - 08/31/18	660,980	198,174	-	198,174	56,162
Career Education in Renewable Energy Technology		DUE-1205015	09/01/12 - 08/31/17	854,471	22,412	-	22,412	-
Center for Renewable Energy Advanced Technological Education Support Center (CREATE-SC)		DUE-1600934	07/01/16 - 06/30/20	1,598,881	180,086	-	180,086	68,791
Contextualize to Learn: Preparing Faculty Toward Math								
Contextualization for Student Success in ATE		DUE-1700625	06/01/17 - 05/31/18	150,000	27,340	-	27,340	-
Wisconsin Alliance for Minority Participation (WiscAMP)								
Peer Mentors and Professional Prep for STEM Careers		HRD-1400815	09/01/14 - 08/31/19	105,250	16,762	-	16,762	-
<b>Total National Science Foundation</b>				<b>\$ 4,339,009</b>	<b>\$ 570,685</b>	<b>\$ -</b>	<b>\$ 570,685</b>	<b>\$ 125,627</b>
<b><u>Department of Veteran Affairs</u></b>								
Post - 9/11 Veterans Educational Assistance	64.028	N/A	07/01/16 - 06/30/17	1,017,130	1,017,130	-	1,017,130	-
<b>Total Department of Veteran Affairs</b>				<b>\$ 1,017,130</b>	<b>\$ 1,017,130</b>	<b>\$ -</b>	<b>\$ 1,017,130</b>	<b>\$ -</b>

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**MADISON AREA TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2017

Assistance program	Federal catalog number	Grant number	Grant dates	Federal grant amount	Revenues			Passed Through to Sub-Recipients
					Federal	Match	Total Expenditures	
<b>Department of Education</b>								
Adult Education-Basic Grants to States	84.002							
Wisconsin Technical College System								
ABE Comprehensive		04-200-146-127	07/01/16 - 06/30/17	\$ 733,047	\$ 379,747	\$ 574,150	\$ 953,897	\$ -
Project for Institutionalized Adults		04-201-146-117	07/01/16 - 06/30/17	57,289	43,372	85,112	128,484	-
Civic Literacy for the Limited English Proficient Learner		04-202-146-167	07/01/16 - 06/30/17	14,890	14,880	-	14,880	-
				805,226	437,999	659,262	1,097,260	-
Gateway-Northport Packer Apartment Corporation		59-007-149-159	07/01/16 - 06/30/17	42,242	41,601	-	41,601	-
Total Adult Education-Basic Grants to States				\$ 849,668	\$ 479,600	\$ 659,262	\$ 1,138,861	\$ -
<b>Student Financial Assistance Cluster</b>								
Federal Supplemental Educational Opportunity Grants	84.007							
Grants		N/A	07/01/16 - 06/30/17	416,416	312,312	104,104	416,416	-
Administrative Fee			07/01/15 - 06/30/17	18,823	18,823	-	18,823	-
				435,238	331,135	104,104	435,238	-
Federal Direct Student Loans	84.268							
Federal Direct Loans		N/A	07/01/16 - 06/30/17	26,441,734	26,441,734	-	26,441,734	-
Loans - Prior Year		N/A	07/01/15 - 06/30/16	72,628	72,628	-	72,628	-
Federal Direct PLUS Loans		N/A	07/01/16 - 06/30/17	150,120	150,120	-	150,120	-
Plus Loans - Prior Year		N/A	07/01/15 - 06/30/16	3,830	3,830	-	3,830	-
				26,668,312	26,668,312	-	26,668,312	-
Federal Work-Study Program	84.033							
Federal Work Study		N/A	07/01/16 - 06/30/17	340,174	256,570	83,603	340,174	-
FWS - Prior Year		N/A	07/01/15 - 06/30/16	-	-	-	-	-
Administrative Fee			07/01/16 - 06/30/17	17,009	17,009	-	17,009	-
				357,182	273,579	83,603	357,182	-
Federal Pell Grant Program	84.063							
Grants		N/A	07/01/16 - 06/30/17	13,080,630	13,080,630	-	13,080,630	-
Grants - Prior Year		N/A	07/01/15 - 06/30/16	51,210	51,210	-	51,210	-
Administrative Fee		N/A	07/01/16 - 06/30/17	20,780	20,780	-	20,780	-
Administrative Fee - Prior Year		N/A	07/01/15 - 06/30/16	23,875	23,875	-	23,875	-
				13,176,495	13,176,495	-	13,176,495	-
Total Student Financial Assistance Cluster				\$ 40,637,228	\$ 40,449,521	\$ 187,707	\$ 40,637,228	\$ -
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	84.334S	P334AS110033	07/01/16 - 06/30/17	50,874	50,874	-	50,874	-
				50,874	50,874	-	50,874	-

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**MADISON AREA TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2017

Assistance program	Federal catalog number	Grant number	Grant dates	Federal grant amount	Revenues			Total Expenditures	Passed Through to Sub-Recipients
					Federal	Match			
<b>Department of Education (continued)</b>									
DVR Training Grant Student Awards	84.126	N/A	07/01/16 - 06/30/17	\$ 187,451	\$ 187,451	\$ -	\$ 187,451	\$ -	
				187,451	187,451	-	187,451	-	
TRIO - Student Support Services	84.042A	P042A151694	09/01/15 - 08/31/20	1,100,000	228,171	112,214	340,385	-	
				1,100,000	228,171	112,214	340,385	-	
Career and Technical Education - Basic Grants to States Wisconsin Technical College System	84.048								
Achieving Student Success		04-100-150-237	07/01/16 - 06/30/17	897,766	380,178	513,160	893,338	-	
Strengthening Career & Tech Ed Programs		04-101-150-257	07/01/16 - 06/30/17	130,353	97,533	-	97,533	-	
Tools for Tomorrow: Women in Trades		04-102-150-267	07/01/16 - 06/30/17	93,151	92,432	-	92,432	-	
Career Prep		04-103-150-217	07/01/16 - 06/30/17	59,061	59,061	-	59,061	-	
Promoting and Supporting High School to College Transitions		04-104-150-247	07/01/16 - 06/30/17	46,194	46,194	-	46,194	-	
				1,226,525	675,398	513,160	1,188,558	-	
Undergraduate International Studies and Foreign Language Programs	84.016A								
Madison College Comprehensive Internationalization Initiative		P016A160033	10/01/16 - 09/30/18	184,268	16,489	-	16,489	-	
				184,268	16,489	-	16,489	-	
Fund for the Improvement of Postsecondary Education (FIPSE)									
Madison College Real Time Writers Project	84.116K	P116K160012	10/01/14 - 09/30/19	550,000	120,059	-	120,059	-	
				550,000	120,059	-	120,059	-	
HEP - Migrant Education	84.141A	S141A110027	07/01/11 - 08/31/16	2,290,872	70,208	-	70,208	-	
HEP - Migrant Education	84.141A	S141A160028	07/01/16 - 06/30/21	1,842,672	330,074	-	330,074	-	
				4,133,544	400,282	-	400,282	-	
<b>Total Department of Education</b>				<b>\$ 48,733,090</b>	<b>\$ 42,607,843</b>	<b>\$ 1,472,343</b>	<b>\$ 44,080,186</b>	<b>\$ -</b>	
<b>Federal Emergency Management Agency</b>									
FEMA Assistance to Firefighters	97.044	04-311-153-117	07/01/16-08/14/16	7,671	6,652	994	7,646	-	
<b>Total Federal Emergency Management Agency</b>				<b>\$ 7,671</b>	<b>\$ 6,652</b>	<b>\$ 994</b>	<b>\$ 7,646</b>	<b>\$ -</b>	
<b>Total Federal Financial Awards</b>				<b>\$ 59,169,451</b>	<b>\$ 46,289,825</b>	<b>\$ 1,473,337</b>	<b>\$ 47,763,162</b>	<b>\$ 125,627</b>	

UNAUDITED DRAFT  
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**MADISON AREA TECHNICAL COLLEGE DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2017

**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	\$ 46,289,825
Federal grants revenue recognized in the statement of expenses and changes in net assets	\$ 19,621,513
Loans presented on the Schedule of Expenditures of Federal	26,668,312
Other	_____
	\$ 46,289,825

**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	\$ 1,017,130

**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, 2017

**MADISON AREA TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
 Year ended June 30, 2017

Assistance program	State catalog number	Grant number	Grant dates	Grant amount	Revenues		Total Expenditures	Passed Through to Sub-Recipients
					State	Match		
<b>Wisconsin Department of Transportation</b>								
Driver Education	Statute 20.395(4)(aq)							
Motorcycle Training-Basic Rider		60406-BRC	01/01/16 - 12/31/16	\$ 62,167	\$ 5,271	\$ 33,582	\$ 38,853	\$ -
Motorcycle Training-Basic Rider 2		60406-BRC-2	01/01/16 - 12/31/16	69	-	236	236	-
Motorcycle Training-Advanced Rider		60406-ARC	01/01/16 - 12/31/16	929	-	196	196	-
Motorcycle Training-3 Wheel Basic		60406-3WBRC	01/01/16 - 12/31/16	825	753	296	1,049	-
Motorcycle Training-New Rider Coach		60406-RCP	01/01/16 - 12/31/16	6,675	4,226	1,152	5,378	-
Motorcycle Training-Basic Rider		60406-BRC1	01/01/17 - 06/30/17	42,647	23,235	19,025	42,260	-
Motorcycle Training-Advanced Rider		60406-BRC2-ADV RIDER	01/01/17 - 06/30/17	1,058	-	377	377	-
Motorcycle Training-3 Wheel Basic		60406-3WBRC	01/01/17 - 06/30/17	1,008	458	327	786	-
<b>Total Wisconsin Department of Transportation</b>				<b>\$ 115,378</b>	<b>\$ 33,943</b>	<b>\$ 55,192</b>	<b>\$ 89,135</b>	<b>\$ -</b>
<b>Higher Education Aids Board</b>								
Wisconsin Higher Education Grant	235.102	N/A	07/01/16 - 06/30/17	2,268,700	2,268,700	-	2,268,700	-
Remission of Fees for Veterans & Dependents	235.105	N/A	07/01/16 - 06/30/17	117,100	117,100	-	117,100	-
Minority Retention Grant	235.107	N/A	07/01/16 - 06/30/17	22,400	22,400	-	22,400	-
Wisconsin Covenant Grant	235.108	N/A	07/01/16 - 06/30/17	63,944	63,944	-	63,944	-
Academic Excellence	235.109	N/A	07/01/16 - 06/30/17	14,625	7,312	7,313	14,625	-
Handicapped Assistance	235.112	N/A	07/01/16 - 06/30/17	2,700	2,700	-	2,700	-
Talent Incentive Program	235.114	N/A	07/01/16 - 06/30/17	71,700	71,700	-	71,700	-
Nursing Student Loans	235.117	N/A	07/01/16 - 06/30/17	12,000	12,000	-	12,000	-
Technical Excellence Program	235.119	N/A	07/01/16 - 06/30/17	146,790	107,378	107,369	214,747	-
Wisconsin Indian Grant	235.152	N/A	07/01/16 - 06/30/17	28,325	28,325	-	28,325	-
<b>Total Higher Education Aids Board</b>				<b>\$ 2,748,284</b>	<b>\$ 2,701,559</b>	<b>\$ 114,682</b>	<b>\$ 2,816,241</b>	<b>\$ -</b>
<b>Wisconsin Technical College System Board</b>								
Performance Based Aid	292.105	N/A	07/01/16 - 06/30/17	2,546,617	2,546,617	-	2,546,617	-
State Aids for Technical Colleges	292.105	N/A	07/01/16 - 06/30/17	8,477,900	8,477,900	-	8,477,900	-
Prior Year		N/A	07/01/15 - 06/30/16	(302,600)	(302,600)	-	(302,600)	-
				<b>10,721,917</b>	<b>10,721,917</b>	<b>-</b>	<b>10,721,917</b>	<b>-</b>

UNAUDITED DRAFT  
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**MADISON AREA TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
Year ended June 30, 2017

Assistance program	State catalog number	Grant number	Grant dates	Grant amount	Revenues		Total Expenditures	Passed Through to Sub-Recipients
					State	Match		
<b><u>Wisconsin Technical College System Board (continued)</u></b>								
General Purpose Revenue (GPR) Grant Funds	292.124							
Systemwide Leadership								
Student Success Leadership for Career Pathways		04-310-124-197	07/11/16 - 07/12/16	\$ 3,499	\$ 2,304	\$ -	\$ 2,304	\$ -
Automation Program Clarification		04-433-124-187	07/01/16 - 12/30/16	6,500	6,500	-	6,500	-
Systemwide Apprentice-Related Instruction								
Machinist, Tool & Die and Injection Molding Stacked Program		04-312-124-117	07/01/16 - 06/30/17	28,160	28,160	-	28,160	-
Career Pathways								
Bridge to Applied Science and Technology		04-300-124-127	07/01/16 - 06/30/17	533,333	400,000	133,333	533,333	-
Professional Development								
Madison College C/E/L - Professional Development		04-304-124-157	07/01/16 - 06/30/17	89,754	55,878	-	55,878	-
Student Support								
Student Support		04-305-124-137	07/01/16 - 06/30/17	377,356	273,128	91,043	364,171	33,831
Supporting Veteran Success								
Supporting Veteran Student Success		04-306-190-110	07/01/16 - 06/30/17	156,340	65,535	-	65,535	-
Core Industry								
Re-envisioning an Agriculture Education Model		04-301-124-137	07/01/16 - 06/30/17	128,972	128,290	-	128,290	-
Manufacturing Maintenance: Meeting the Demand		04-302-124-137	07/01/16 - 06/30/17	370,986	352,368	-	352,368	-
Workforce Advancement Training								
Next Generation Manufacturing Quality Consortium		04-334-124-176	07/01/15 - 08/31/16	138,889	12,403	-	12,403	-
Manufacturing Quality Technician Certification Consortium		04-308-124-176	07/01/16 - 08/31/17	66,676	58,365	-	58,365	-
Developing Hospitality Leaders for Industry Growth		04-307-124-177	07/01/16 - 08/31/17	58,199	37,759	-	37,759	-
Pass-Through Awards:								
Advanced Manufacturing-Southwest WI Technical College		03-118-124-187	04/01/17 - 04/30/17	10,844	6,275	-	6,275	-
				1,969,508	1,426,966	224,376	1,651,342	33,831
Property Tax Relief Aid	292.162	N/A	07/01/16 - 06/30/17	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	07/01/16 - 06/30/17	93,244	93,244	-	93,244	-
				93,244	93,244	-	93,244	-
<b>Total Wisconsin Technical College System Board</b>				<b>\$ 73,678,880</b>	<b>\$ 73,136,338</b>	<b>\$ 224,376</b>	<b>\$ 73,360,714</b>	<b>\$ 33,831</b>
<b><u>Wisconsin Department of Corrections</u></b>								
Industrial Maintenance Instruction	309.55.05	410039-V17-R1.H6169-ING-01	02/01/17-6/30/17	49,936	41,811	-	41,811	-
<b>Total Wisconsin Department of Corrections</b>				<b>\$ 49,936</b>	<b>\$ 41,811</b>	<b>\$ -</b>	<b>\$ 41,811</b>	<b>\$ -</b>

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**MADISON AREA TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
Year ended June 30, 2017

Assistance program	State catalog number	Grant number	Grant dates	Grant amount	Revenues		Total Expenditures	Passed Through to Sub-Recipients
					State	Match		
<b><u>Wisconsin Department of Natural Resources</u></b>								
Aid in Lieu of DNR Property Taxes	370.503	N/A	07/01/16 - 06/30/17	\$ 93,681	\$ 93,681	\$ -	\$ 93,681	\$ -
<b>Total Wisconsin Department of Natural Resources</b>				<b>\$ 93,681</b>	<b>\$ 93,681</b>	<b>\$ -</b>	<b>\$ 93,681</b>	<b>\$ -</b>
<b><u>Wisconsin Fast Forward</u></b>								
Blueprint For Prosperity	445.109							
Blueprint for Prosperity Wait List Grant		BP142TC-MAD	07/01/14 - 12/31/16	5,009,710	673,016	-	673,016	-
Blueprint for Prosperity High School Pupil Workforce Training Grant		BP151HSP-31	04/01/15 - 12/31/16	66,219	6,918	-	6,918	-
<b>Total Wisconsin Fast Forward</b>				<b>\$ 5,075,929</b>	<b>\$ 679,934</b>	<b>\$ -</b>	<b>\$ 679,934</b>	<b>\$ -</b>
<b><u>Wisconsin Department of Revenue</u></b>								
State Aid-Computers	835.109	N/A	07/01/16 - 06/30/17	511,928	511,928	-	511,928	-
<b>Total Wisconsin Department of Revenue</b>				<b>\$ 511,928</b>	<b>\$ 511,928</b>	<b>\$ -</b>	<b>\$ 511,928</b>	<b>\$ -</b>
<b>Total State Financial Awards</b>				<b>\$ 82,274,016</b>	<b>\$ 77,199,195</b>	<b>\$ 394,249</b>	<b>\$ 77,593,444</b>	<b>\$ 33,831</b>

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**MADISON AREA TECHNICAL COLLEGE DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
Year ended June 30, 2017

**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>\$ 77,199,195</u>
State grants revenue is presented on the basic financial statements as follows:	
Operating	\$ 4,977,458
Non-operating	72,221,737
Other	<u>-</u>
	<u>\$ 77,199,195</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	\$ 89,135
235.105	Higher Education Aids Board Wisconsin Technical College	Remission of Fees for Veterans and Dependents	117,100
292.137	System Board	Fire Service Operations	93,244
370.503	Department of Natural Resources	Aid in Lieu of DNR Property Taxes	93,681
835.109	Department of Revenue	State Aid - Computers	511,928



**MADISON**  
**AREA TECHNICAL**  
**COLLEGE**

UNPUBLISHED DRAFT  
For Discussion Purposes Only  
Subject to Change

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**Comprehensive Annual Financial Report for the fiscal years ended June 30, 2017 and 2016**