

Comprehensive Annual Financial Report

for the fiscal years ended
June 30, 2016 and 2015



MADISON
AREA | TECHNICAL
COLLEGE

madisoncollege.edu

MADISON AREA TECHNICAL COLLEGE DISTRICT
Madison, Wisconsin
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the years ended June 30, 2016 and 2015

Current Members of the Board

Frances Huntley-Cooper Chairperson
Shawn Pfaff Vice Chairperson
Arlyn Halvorson Treasurer
Shiva Bidar-Sielaff Secretary
Kelly Crombie Member
Randy Guttenberg Member
Joseph Hasler Member
Marcia Whittington Member
Joel Winn 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
Kristin Gebhardt Associate 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, 2016 and 2015**

TABLE OF CONTENTS

Introductory Section:	<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
 Financial Section:	
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 Net Position.....	25
Statements of Cash Flows	26
Notes to Financial Statements	28
 Required Supplementary Information:	
Other Postemployment Benefits and Pension Plan	63
 Supplementary Information:	
General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual.....	65
Special Revenue Aidable Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual.....	66
Special Revenue Non-Aidable Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual.....	67

MADISON AREA TECHNICAL COLLEGE DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Years Ended June 30, 2016 and 2015

TABLE OF CONTENTS, CONTINUED

Pages

Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual.....	68
Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual.....	69
Enterprise Fund Schedule of Revenues, Expenditures and Changes in Net Position - Budget (Non-GAAP Budgetary Basis) and Actual	70
Internal Service Fund Schedule of Revenues, Expenditures and Changes in Net Position - Budget (Non-GAAP Budgetary Basis) and Actual	71
Schedule to Reconcile Budget (Non-GAAP Budgetary) Basis Financial Statements to Basic Financial Statements	72

Statistical Section (Unaudited):

Financial Trends

Net Position by Component.....	76
Changes in Net Position.....	77

Revenue Capacity

Distribution of Real Property Value on an Equalized Basis - Columbia, Dane, Jefferson, Marquette, and Sauk Counties.....	78
Direct and Overlapping Property Tax Rates	79
Property Tax Levies and Collections	87
Principal Property Tax Payers	88
Enrollment Statistics.....	89
Schedule of Per Credit Program Fees Charged	90

Debt Capacity

Ratio of Outstanding Debt by Type.....	91
Computation of Direct and Overlapping Debt	92
Legal Debt Margin Information	93

Demographic and Economic Information

Demographic Statistics for Dane, Jefferson and Sauk Counties.....	94
Principal Employers	95

MADISON AREA TECHNICAL COLLEGE DISTRICT

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Years Ended June 30, 2016 and 2015**

TABLE OF CONTENTS, CONTINUED

	<u>Pages</u>
Operating Information	
Full Time Employees by Equal Employment Opportunity Classification	96
Operational Expenditures per Full-Time Equivalent (FTE) Student.....	97
Program Graduate Follow-Up Statistics.....	98
Square Footage of District Facilities	99
District Legal Description.....	100
 Single Audit Section:	
Schedule of Expenditures of Federal Awards	101
Notes to Schedule of Expenditures of Federal Awards.....	105
Schedule of Expenditures of State Awards.....	106
Notes to Schedule of Expenditures of State Awards	109
Schedule of Findings and Questioned Costs.....	110
Schedule of Status of Prior Findings	116
 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 <i>Government Auditing Standards</i>	 117
 Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	 119



January 5, 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 year ended June 30, 2016 and 2015, 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 U.S. Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, 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 2014-15 of \$75,308,348,768, and an estimated District population of 744,676. 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 10.

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 degree, 3 college transfer associate degree, 5 two-year technical diploma, 29 one-year technical diploma, 7 less-than-one-year technical diploma, and 19 apprenticeship programs, as well as 70 certificates. Madison College also offers numerous other types of offerings such as, basic skills education, customized training for specific businesses and adult continuing education.

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

Madison College fosters a cooperative environment to provide a better opportunity 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 grow, expand, and maintain a good quality of life and economic sustainability. The training provided by Madison College is essential for an adequately trained labor force and a strong investment in the overall economic health of our district.

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 employment 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 metro area's unemployment rate decreased from 4.0% in February 2015 to 3.9% in February 2016. In comparison, the Wisconsin and U.S. adjusted rates for February 2016 were 4.6% and 4.9% respectively.

The overall Midwest Region consumer price index is up 0.5% from March 2015 to March 2016, compared to a national increase of 0.9% over the same period.

The Wisconsin REALTORS® Association reported in April 2016 that existing Wisconsin home sales increased in March 2016 by 4.2% over March 2015, with prices increasing by 6.0%. In the 12 county South Central Wisconsin region, existing home sales increased 2.6% over the 12 months ending March 2016. During that time, the median sale price in the region increased \$5,550 or 3.2%. Housing values are set for tax purposes in January of each year, and those values reported to taxing authorities the following fall are used for computing taxes, which are billed to property owners in December.

Legislative Climate

The legislative environment continues to be challenging and complex. In July 2015, the state legislature passed its two-year spending plan for fiscal years 2016 and 2017, leaving the state funding for the sixteen college districts unchanged from fiscal year 2015.

- A portion of general state aid is now distributed via performance-based measurements, rather than by a distribution formula based on enrollment, expenditures and property values. The amount of the general state aid to be distributed in this manner increased from 10% in Fiscal Year 2014-15 to 20% in Fiscal Year 2015-16, and will increase to 30% in Fiscal Year 2016-17.
- The state will provide an additional \$406 million in aid for the sixteen college districts, to decrease the property taxes that could otherwise be levied by the technical college districts. Districts retain their existing authority to increase the operating levy up to the amount based on net new construction growth under current law and to levy for purposes of debt service. Under current law, if in subsequent years the State of Wisconsin decreased its \$406 million in aid for the college districts, each district would be able to collect that specific reduction in revenue from the property tax. Fiscal Year 2014-15 was the first year in which the state provided this aid directly to the college districts in lieu of the property tax levy.

In March 2016, the WTCS State Board approved a 1.5% increase in tuition for students in degree credit programs.

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 89 percent of Madison College graduates find jobs within six months of graduation. Of those, over 74 percent are employed within the district and almost 94 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 \$2,827.
- Madison College was awarded over \$5.0 million as part of the Wisconsin Fast Forward grant earmarked for Wisconsin technical colleges. The grant will support training for 934 additional workers for careers in machine tooling, construction, welding, industrial maintenance, metal processes and repair techniques, and nursing assistants. The grant is part of the Governor's Blueprint for Prosperity initiative to train more workers for high-demand technical jobs across the state.

- 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	95%	71%
Associate Degree Nursing	92%	87%
Certified Paralegal	76%	59%
Dental Hygiene	100%	83%
Dietary Manager	100%	69%
Emergency Medical Responder	93%	78%
Emergency Medical Technician	95%	79%
Medical Assistant	93%	69%
Medical Laboratory Technician	100%	79%
Occupational Therapy Assistant	100%	83%
Optometric Technician	100%	86%
Physical Therapy Assistant	100%	80%
Radiography	100%	93%
Respiratory Therapy	100%	78%
Surgical Technologist	82%	76%
Therapeutic Massage	90%	69%

Long-term Financial Planning

Technical education in the 21st century is characterized by limited resources, significant outlays for high technology equipment, constantly changing enrollments due to fluctuating unemployment rates, and a changing population which requires different instructional delivery systems. The District Board has responded to these challenges by developing a number of financial policies that emphasize long-term financial health 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 2016-17, Madison College plans to borrow \$25.4 million for capital projects.

Madison College's Smart Future Building Plan

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.

As early as March 2011, the College began the work on the Plan by purchasing property located north of the Truax main campus at 1835 and 1849 Wright Street. During this same period of time, architectural and engineering work was being completed on several other construction projects. In addition to the purchase of the Wright Street property with referendum funds, the District has completed renovations and upgrades to the Regional campuses (Fort Atkinson, Portage, Reedsburg, and Watertown); completed building of the Protective Services Building, the Health Education Building, the Gateway, and the Ingenuity Center; completed site improvements at the Truax campus (parking lots, storm water, landscaping, and signage); and completed remodel and backfill projects within the Truax main campus building.

In Fiscal Year 2014-15, the College issued the final \$10.1 million in referendum bonds. The College is using these funds, in addition to capital borrows in Fiscal Years 2015-16 and 2016-17, for nine construction/remodel projects at Truax Campus. These projects include an expansion of the culinary arts program, remodeling to enhance the baking/pastry arts and barber cosmetology programs, and remodeling to enhance cafeteria and food service operations, student life, student development, student career services, and the student den. New meeting rooms are included in the renovations as well as an expansion of the College's shipping and receiving area.

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 which provide appropriate levels of supervision and segregation of duties. The District hired a new Senior Internal Auditor during fiscal year 2015-16 to provide an additional internal control function and review, test and make recommendations about policies, processes and procedures.

Accounting System

During fiscal year 2015-16 the District implemented Workday Financial Management, a new Enterprise Resource Planning (ERP) accounting system. Workday will give the College the ability to achieve greater visibility into the financial and operational performance for improved decision-making and improve financial efficiencies across the organization.

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.

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, 2015. This was the nineteenth 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 Resources 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





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, 2015

Executive Director (ED)

Madison Area Technical College District Board FY 2016 - 2017



Kelly J. Crombie
[Elected Official]
Term Expires 6/30/17
Mayor, City of Columbus
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 Treasurer
[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 Vice-Chair
[Employer Member]
Term expires 6/30/19
Attorney, LaRowe Gerlach
Taggart, LLP



Frances M. Huntley-Cooper
Board Chair
[Additional Member]
Term Expires 6/30/17
Retired



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



Shiva Bidar-Sielaff
Board Secretary
[Additional Member]
Term Expires 6/30/18
Director of Community
Partnerships at University of
Wisconsin Hospital and Clinics



Joel D. Winn
[Additional Member]
Term Expires 6/30/17
Retired



Marcia Whittington
[Additional Member]
Term Expires 6/30/19
Chief Development Officer,
Agrace Hospice and
Palliative, Inc.

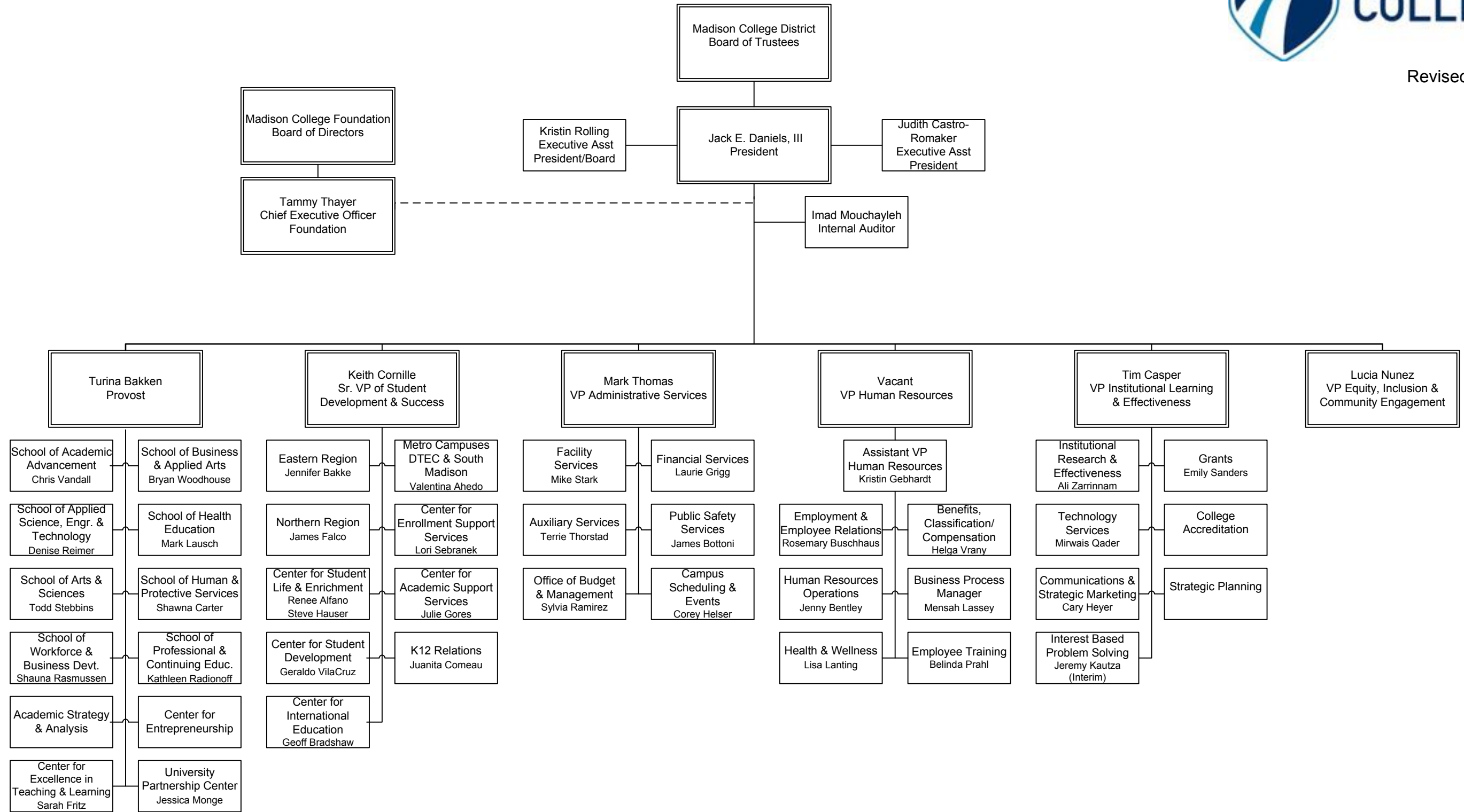


Jack E. Daniels III, Ph.D.
President
Madison Area Technical College

Madison College Organizational Chart



Revised 8/22/16



This page intentionally left blank

INDEPENDENT AUDITORS' REPORT

District Board
Madison Area Technical College District
Madison, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of Madison Area Technical College District, as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Madison Area Technical College District as of June 30, 2016 and 2015, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, Other Postemployment Benefits Plan Information, and Pension Plan Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The individual fund financial statements, the schedule to reconcile budget basis financial statements to basic financial statements and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

District Board
Madison Area Technical College District



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2017, on our consideration of the Madison Area Technical College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison Area Technical College District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
January 5, 2017

This page intentionally left blank

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
at June 30, 2016, 2015 and 2014
(dollars in thousands)**

	2016	2015	Increase (Decrease) 2016-2015	2014	Increase (Decrease) 2015-2014
ASSETS					
Cash and cash equivalents and investments	\$ 85,888	\$ 97,607	\$ (11,719)	\$ 60,546	\$ 37,061
Net capital assets	231,930	220,512	11,418	222,904	(2,392)
Net pension asset	-	16,815	(16,815)	-	16,815
Other assets	44,319	42,570	1,749	60,806	(18,236)
Total assets	<u>362,137</u>	<u>377,504</u>	<u>(15,367)</u>	<u>344,256</u>	<u>33,248</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow of resources related to pensions	<u>56,721</u>	<u>13,631</u>	<u>43,090</u>	<u>-</u>	<u>13,631</u>
LIABILITIES					
Current liabilities	65,928	68,466	(2,538)	65,836	2,630
Net pension liability	10,778	-	10,778	-	-
Other long-term liabilities	173,299	173,588	(289)	167,042	6,546
Total liabilities	<u>250,005</u>	<u>242,054</u>	<u>7,951</u>	<u>232,878</u>	<u>9,176</u>
DEFERRED INFLOW OF RESOURCES					
Deferred inflow of resources related to pensions	<u>22,808</u>	<u>123</u>	<u>22,685</u>	<u>-</u>	<u>123</u>
NET POSITION					
Net investment in capital assets	91,227	89,236	1,991	83,024	6,212
Restricted for pension	-	16,815	(16,815)	-	16,815
Restricted for debt services	2,119	1,755	364	1,042	713
Unrestricted	52,699	41,153	11,546	27,312	13,841
Total net position	<u>\$ 146,046</u>	<u>\$ 148,959</u>	<u>\$ (2,914)</u>	<u>\$ 111,378</u>	<u>\$ 37,581</u>

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, building and land improvements of \$339,000, land of \$524,000 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 \$720,000 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 \$909,000, or less than 1%, due to a decrease in enrollments. Offsetting these decreases is an increase of \$420,000 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 release of net position restricted for pension asset. The current year net of pension related liability, deferred inflow and deferred outflows is reported as unrestricted net position, where as in the prior year the pension asset was reported as restricted net position and the net deferred inflow and deferred outflows was reported as unrestricted net position. The remaining changes are primarily the result of current year operating activities and non-operating revenues.

Fiscal Year 2015 Compared to 2014

Total assets increased by \$33.2 million, or 10%, for the fiscal year:

- Cash and cash equivalents increased by \$37.1 million, or 61%, due to two main factors. First, the District issued \$14.6 million in bonds on June 30, 2015, increasing its cash position on the last day of the fiscal year. Second, due to a change in funding sources resulting from 2013 Wisconsin Act 145, the District now receives a greater portion of its non-operating revenue directly from state appropriations in lieu of property taxes. As the District receives the state appropriation in full in February, and property taxes are paid in installments in January, February, and August, the District's cash balance is temporarily higher as of June 30, 2015.

- Net capital assets decreased by \$2.4 million, or 1%. Net capital assets added this fiscal year were equipment of \$12.1 million, buildings and improvements of \$2.6 million, and land improvements of \$261,015. Depreciation expense and sale/disposals reduced net capital assets for the year by \$19.5 million and \$1.4 million, respectively.
- Net Pension Asset increased by \$16.8 million and Deferred Outflow of Resources increased by \$13.6 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. GASB 68 and GASB 71 have been implemented by the District effective July 1, 2014. See Note E in the Notes to Financial Statement for additional disclosure information.
- Other assets decreased by \$18.2 million, or 30%, due to a decrease in property tax receivable of \$19.8 million, as the District now receives a greater portion of its non-operating revenue directly from state appropriations in lieu of property taxes, as previously stated above.

Total liabilities increased by \$9.2 million, or 4%, for the fiscal year:

- Annual note issuance proceeds of \$31.1 million exceeded note principal payments of \$24.6 million for the year. This \$6.5 million can be further broken down between the current portion of long-term obligations, \$865,000, and the general obligation notes payable, \$5.6 million.
- Current liabilities increased \$2.6 million, or 4%. In addition to the \$865,000 increase in the current portion of long-term obligation, there was an increase of \$2.4 million in accounts payable balances due to year-end invoice accruals. Unearned program and material fees also increased \$366,936, or 2%, due to increased tuition rates. Offsetting these increases is a decrease of \$1.1 million in the current portion of accrued compensated absences as the number of eligible employees who are the age of 57 or older has declined as the result of employee retirements.
- Long term liabilities increased by \$6.5 million, or 4%. In addition to the \$5.6 million increase in general obligation notes payable are modest increases in accrued compensated absences, other long-term liabilities, and other post-employment benefit (OPEB) accruals.

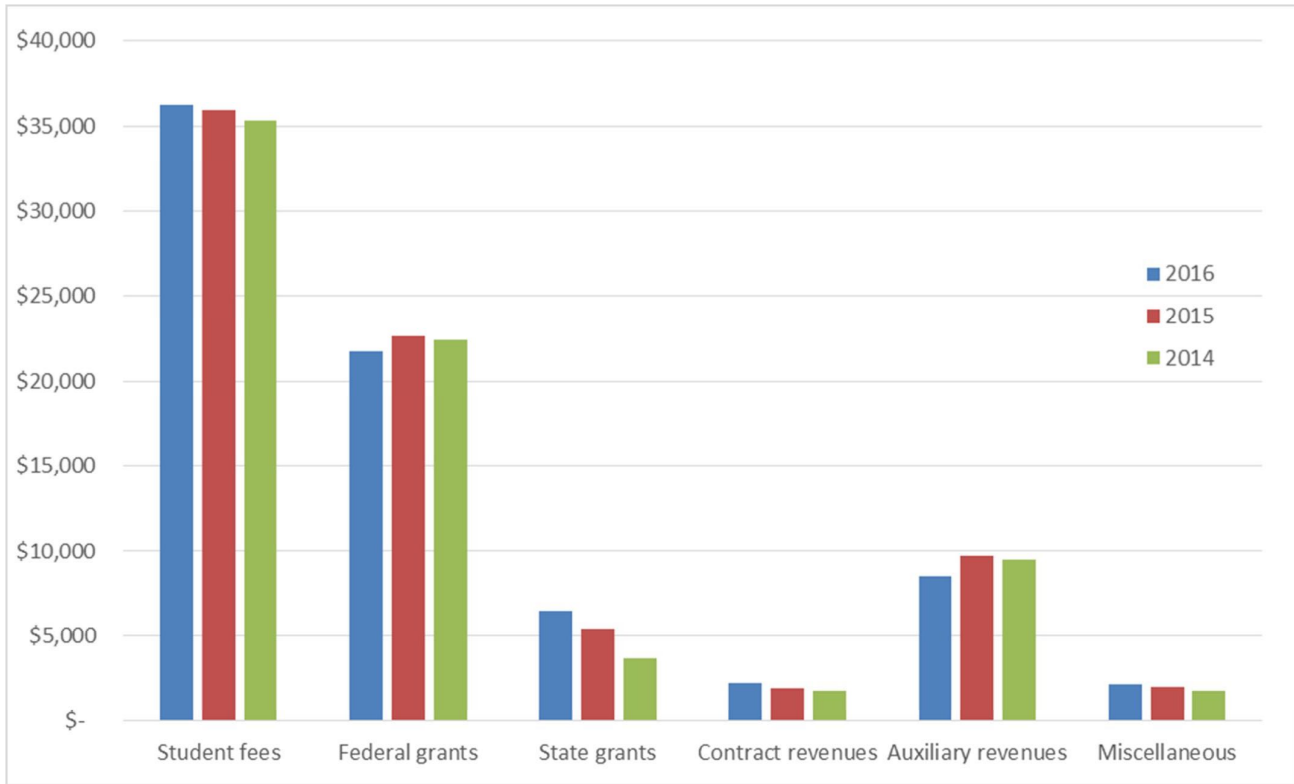
Net position increased by \$37.6 million, or 34%, for the fiscal year:

- Net investment in capital assets increased \$6.2 million, or 8%.
- Restricted for debt service increased by \$713,000, or 68%. Premiums received on debt issues are included in the debt service fund and accrued interest is excluded from the reserve balance.
- Unrestricted net position increased by \$30.7 million, or 112%, due mainly to the implementation of GASB 68 and GASB 71, effective July 1, 2015. See Note E in the Notes to Financial Statement for additional disclosure information.

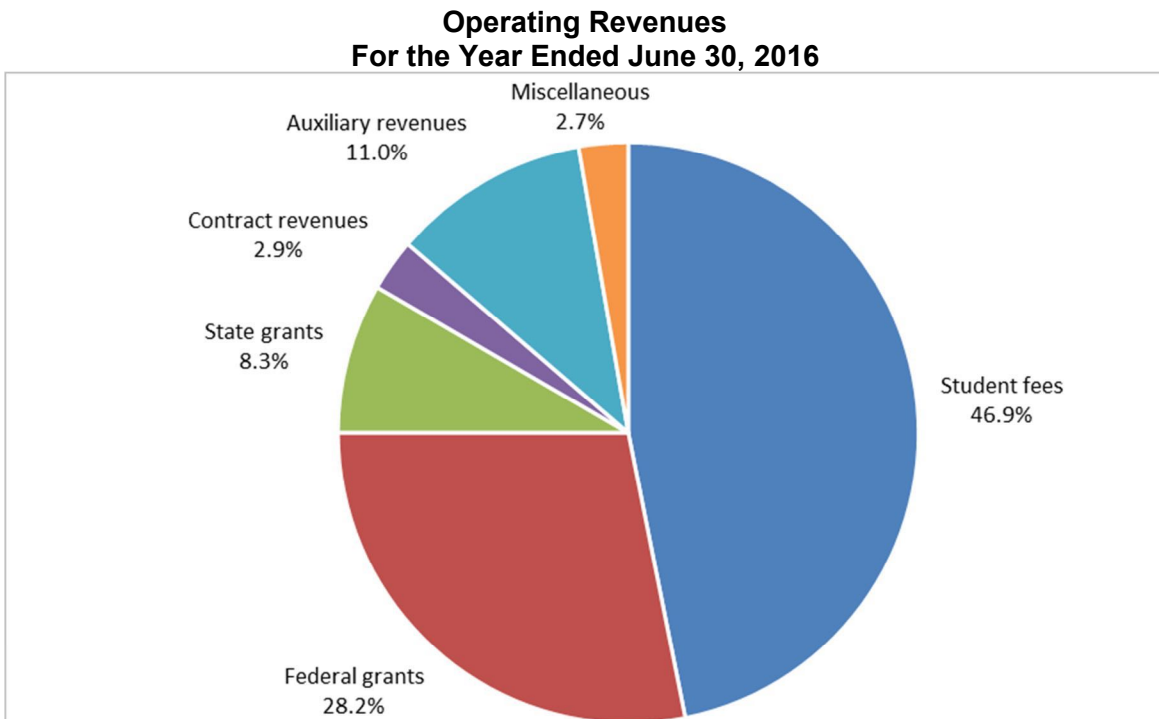
The following is a summary of Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2016, 2015, and 2014 (dollars in thousands)

	2016	2015	Increase (Decrease) 2016-2015	2014	Increase (Decrease) 2015-2014
Operating revenues					
Student fees	\$ 36,207	\$ 35,924	\$ 283	\$ 35,346	\$ 578
Federal grants	21,763	22,648	(885)	22,445	203
State grants	6,447	5,364	1,083	3,656	1,708
Contract revenues	2,249	1,965	284	1,776	189
Auxiliary revenues	8,493	9,691	(1,198)	9,448	243
Cost reimbursements	82	83	(1)	80	3
Miscellaneous	2,122	1,989	133	1,767	222
Total operating revenues	<u>77,363</u>	<u>77,664</u>	<u>(301)</u>	<u>74,518</u>	<u>3,146</u>
Non-operating revenues					
Property taxes	66,584	64,951	1,633	124,164	(59,213)
State appropriations	73,751	74,197	(446)	12,956	61,241
Gifts, grants and bequests	968	722	246	825	(103)
Investment income earned	183	91	92	81	10
Total non-operating revenues	<u>141,486</u>	<u>139,961</u>	<u>1,525</u>	<u>138,026</u>	<u>1,935</u>
Total revenues	<u>218,849</u>	<u>217,625</u>	<u>1,224</u>	<u>212,544</u>	<u>5,081</u>
Operating expense					
Instruction	111,212	110,964	248	112,485	(1,521)
Instructional resources	8,571	6,113	2,458	5,681	432
Student services	14,290	14,347	(57)	13,534	813
General institutional	13,999	18,281	(4,282)	16,792	1,489
Physical plant	27,562	13,512	14,050	14,986	(1,474)
Public service	664	349	315	396	(47)
Auxiliary enterprise services	9,547	9,681	(134)	9,221	460
Depreciation	19,327	19,538	(211)	19,057	481
Student aid	11,519	12,327	(808)	13,353	(1,026)
Total operating expense	<u>216,691</u>	<u>205,112</u>	<u>11,579</u>	<u>205,505</u>	<u>(393)</u>
Non-operating expenses					
Loss (gain) on disposal of capital assets	158	263	(105)	14	249
Interest expense	4,911	4,968	(57)	5,246	(278)
Total non-operating expense	<u>5,069</u>	<u>5,231</u>	<u>(162)</u>	<u>5,260</u>	<u>(29)</u>
Total expenses	<u>221,760</u>	<u>210,343</u>	<u>11,417</u>	<u>210,765</u>	<u>(422)</u>
Increase (Decrease) in Net Position	(2,912)	7,282	(10,194)	1,779	5,503
Net position- beginning of the year	<u>148,958</u>	<u>141,676</u>		<u>109,599</u>	
Net positions-end of the year	<u>\$ 146,046</u>	<u>\$ 148,958</u>		<u>\$ 111,378</u>	

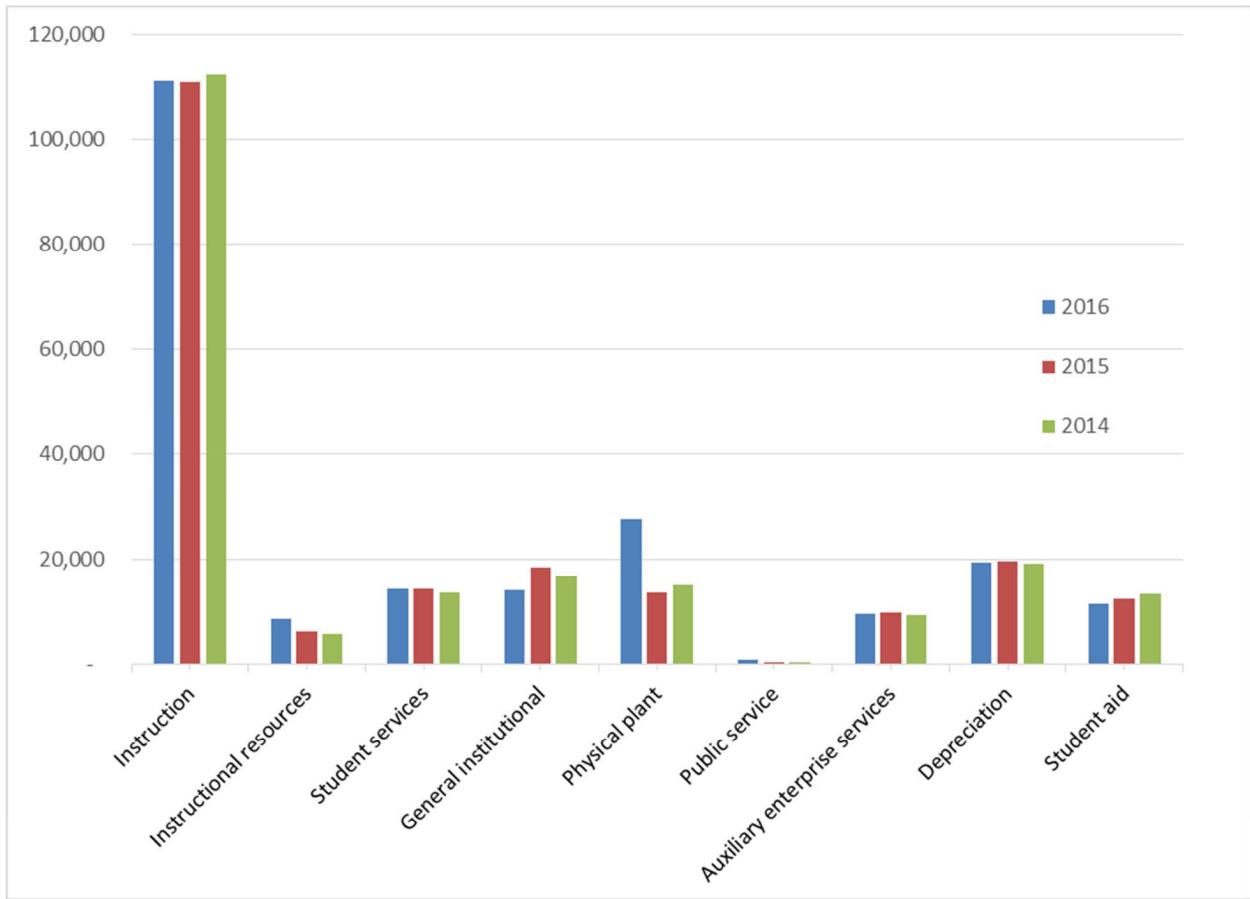
**Comparison of Operating Revenues
For the Years Ended June 30, 2016, 2015 and 2014 (dollars in thousands)**



The following is a graphical illustration of operating revenues by source for the fiscal year ended June 30, 2016.

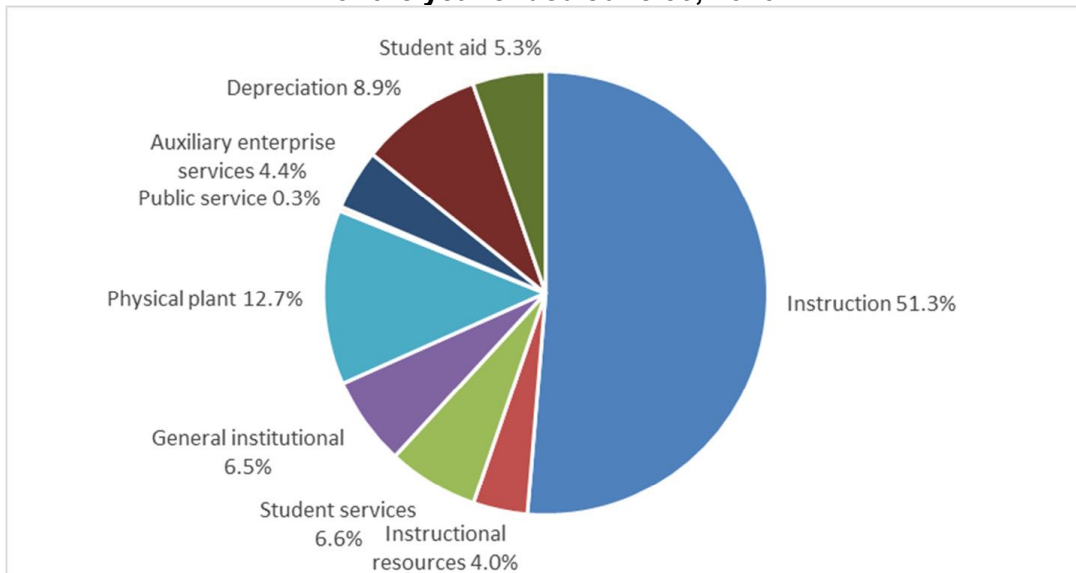


**Comparison of Operating Expenses
For the Years Ended June 30, 2016, 2015 and 2014 (dollars in thousands)**



The following is a graphical illustration of operating expenses by function for the fiscal year ended June 30, 2016.

**Operating Expenses
For the year ended June 30, 2016**



Fiscal Year 2016 Compared to 2015

Operating revenues are the charges for services offered by the District. 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.

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

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

Fiscal Year 2015 Compared to 2014

Operating revenues are the charges for services offered by the District. During 2015, the District generated \$77.7 million of operating revenue, an increase of \$3.1 million, or 4%:

- Student fees increased by \$578,000, or 2%, as a decline in student enrollment, of 1.3%, was offset by an increase in tuition rates, of 3.0%.
- State grants increased by \$1.7 million, or 47%. The District was awarded over \$5.0 million as part of a multi-year Wisconsin Fast Forward grant earmarked for Wisconsin technical colleges.

Operating expenses are costs related to offering the programs of the District. During 2015, total operating expenses were \$205.1 million, a decrease of \$393,000, or less than 1%.

Non-operating revenues are items not directly related to providing instruction. During 2015, the District generated \$140.0 million of non-operating revenue, an increase of \$1.9 million, or 1%:

- Property taxes decreased by \$59.2 million, while state appropriations increased by \$61.2 million, due to a change in funding source resulting from 2013 Wisconsin Act 145. The District now receives a greater portion of its non-operating revenue directly from state appropriations in lieu of property taxes. The net increase of these two non-operating revenue lines is \$2.0 million, or 1%, and is attributable to the increase in net new construction for the District.

Non-operating expenses are items not directly related to providing instruction. During 2015, total non-operating expenses for the District were \$5.2 million, a decrease of \$29,000, or less than 1%.

Capital Asset and Debt Administration

The District's investment in capital assets as of June 30, 2016 and 2015, net of accumulated depreciation, amounted to \$231.9 million and \$220.5 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 \$174.3 million. The balance at the end of June 30, 2015 was \$174.1 million. The District's bonds and notes continue to maintain a Standard & Poor's AAA and Moody's Investors Service 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 1701 Wright Street, Madison, WI 53704.

MADISON AREA TECHNICAL COLLEGE DISTRICT
STATEMENTS OF NET POSITION
As of June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 43,323,150	\$ 47,302,243
Restricted cash and cash equivalents	42,310,760	50,051,211
Restricted investments	253,938	253,810
Accounts receivable	2,589,391	1,803,381
Property taxes receivable	16,620,562	16,076,952
Federal and state aid receivable	4,354,335	2,265,024
Student fee receivable, less allowance of \$4,295,000 for 2016 and \$4,120,000 for 2015	18,852,667	19,607,680
Inventories	993,723	1,042,568
Prepaid items	893,806	1,753,237
Total current assets	130,192,332	140,156,106
Non-current Assets		
Employee advances	14,999	21,510
Net pension asset	-	16,814,521
Land	5,066,138	4,541,772
Construction in progress	22,042,931	8,228,232
Other capital assets	361,595,390	349,337,008
Less accumulated depreciation	(156,774,429)	(141,594,645)
Total non-current assets	231,945,029	237,348,398
TOTAL ASSETS	362,137,361	377,504,504
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	56,720,878	13,630,767
LIABILITIES		
Current Liabilities		
Accounts payable	7,680,530	8,957,629
Accrued payroll	9,086,817	9,937,401
Accrued interest	1,901,720	1,842,732
Unearned program and material fees	16,008,483	16,917,290
Due to other organizations	2,437,031	1,696,832
Current portion of compensated absences	6,694,314	6,274,764
Current portion of long-term obligations	22,119,556	22,839,826
Total current liabilities	65,928,451	68,466,474
Long-term Liabilities		
Accrued compensated absences	10,493,764	11,315,736
General obligation notes payable	152,195,000	151,310,000
Capital lease	44,417	48,973
Net Pension Liability	10,778,119	-
Premium on notes and bonds payable	8,386,753	8,122,006
Other postemployment benefits	2,178,093	2,791,279
Total long-term liabilities	184,076,146	173,587,994
TOTAL LIABILITIES	250,004,597	242,054,468
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	22,807,983	123,054
NET POSITION		
Net investment in capital assets	91,226,801	89,235,589
Restricted for pension	-	16,814,521
Restricted for debt service	2,119,451	1,754,739
Unrestricted	52,699,408	41,152,900
TOTAL NET POSITION	\$ 146,045,659	\$ 148,957,749

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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues		
Student program fees, net of scholarship allowances of \$5,385,423 and \$5,643,586 for 2016 and 2015, respectively	\$ 32,589,460	\$ 32,509,912
Student material fees, net of scholarship allowances of \$209,574 and \$211,469 for 2016 and 2015, respectively	1,248,436	1,213,961
Other student fees, net of scholarship allowances of \$755,737 and \$753,359 for 2016 and 2015, respectively	2,368,872	2,200,736
Federal grants	21,762,419	22,648,311
State grants	6,447,173	5,363,910
Business and industry contract revenue	2,095,590	1,769,275
School district contract revenue	153,258	196,181
Auxiliary enterprise revenues	8,493,314	9,690,781
Cost reimbursements	81,750	83,019
Miscellaneous	<u>2,122,492</u>	<u>1,988,004</u>
Total operating revenues	<u>77,362,764</u>	<u>77,664,090</u>
Operating expenses		
Instruction	111,211,738	110,963,880
Instructional resources	8,570,509	6,112,871
Student services	14,290,392	14,347,102
General institutional	13,998,775	18,280,779
Physical plant	27,561,679	13,511,787
Public service	664,045	348,639
Auxiliary enterprise services	9,547,330	9,681,632
Depreciation	19,326,838	19,538,063
Student aid	<u>11,519,141</u>	<u>12,327,451</u>
Total operating expenses	<u>216,690,447</u>	<u>205,112,204</u>
Operating loss	<u>(139,327,683)</u>	<u>(127,448,114)</u>
Non-operating revenues (expenses)		
Property taxes	66,583,533	64,950,704
State appropriations	73,750,761	74,196,729
Gifts, grants and bequests	967,842	721,743
Gain (loss) on disposal of capital assets	(158,325)	(262,602)
Investment income earned	182,589	91,664
Interest expense	<u>(4,910,807)</u>	<u>(4,968,421)</u>
Total non-operating revenues	<u>136,415,593</u>	<u>134,729,817</u>
CHANGE IN NET POSITION	(2,912,090)	7,281,703
Net position - beginning of the year as previously reported	<u>148,957,749</u>	<u>141,676,046</u>
Net position - end of the year	<u>\$ 146,045,659</u>	<u>\$ 148,957,749</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, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Tuition and fees received	\$ 36,175,771	\$ 35,212,975
Federal and state grants received	26,120,281	27,610,006
Business, industry and school district contract revenues received	2,248,848	1,965,456
Payments to employees including related benefits	(135,041,829)	(140,210,986)
Payments to suppliers	(58,685,076)	(44,134,121)
Auxiliary enterprise revenues received	8,493,314	9,690,781
Other receipts	<u>2,204,242</u>	<u>2,071,023</u>
Net cash used in operating activities	<u>(118,484,449)</u>	<u>(107,794,866)</u>
Cash flows from noncapital financing activities		
Local property taxes received	66,039,923	84,797,368
State appropriations received	73,750,761	74,196,729
Gifts, grants and bequests	967,842	721,743
Employee advances	<u>6,511</u>	<u>1,862</u>
Net cash provided by noncapital financing activities	<u>140,765,037</u>	<u>159,717,702</u>
Cash flows from capital and related financing activities		
Purchases of capital assets	(29,986,296)	(17,939,071)
Proceeds on disposal of capital assets	435,083	1,119,715
Premium on issuance of capital debt	1,198,761	1,316,384
Proceeds from issuance of capital debt	24,800,000	31,070,000
Debt issuance costs capitalized	-	-
Principal paid on capital debt	(24,639,826)	(24,635,113)
Interest paid on capital debt	<u>(5,990,315)</u>	<u>(5,884,837)</u>
Net cash provided by (used in) capital and related financing activities	<u>(34,182,593)</u>	<u>(14,952,922)</u>
Cash flows from investing activities		
Investment income received	182,589	91,664
Purchase of investments	-	-
Proceeds on sale of investments	<u>(128)</u>	<u>(315)</u>
Net cash provided by (used in) investing activities	<u>182,461</u>	<u>91,349</u>
Net increase in cash and cash equivalents	(11,719,544)	37,061,263
Cash and cash equivalents at beginning of year	<u>97,353,454</u>	<u>60,292,191</u>
Cash and cash equivalents at end of year	<u>\$ 85,633,910</u>	<u>\$ 97,353,454</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, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (139,327,683)	\$ (127,448,114)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	19,326,838	19,538,063
Changes in assets and liabilities:		
Accounts receivable	(786,010)	(165,621)
Federal and state aid receivable	(2,089,311)	(402,215)
Student fee receivable	755,013	(546,013)
Inventories	48,845	423,862
Prepaid items	859,431	(922,486)
Accounts payable	(2,424,230)	1,842,917
Accrued payroll	(850,584)	(8,717)
Unearned program and material fees	(908,807)	366,936
Due to other organizations	740,199	245,214
Accrued compensated absences	(402,422)	(761,788)
Pension benefits	7,187,458	(24,342)
Other postemployment benefits	(613,186)	67,438
	<u>\$ (118,484,449)</u>	<u>\$ (107,794,866)</u>
Net cash used in operating activities		
Reconciliation of cash and cash equivalents to the Statement of Net Position		
Unrestricted cash and cash equivalents	\$ 43,323,150	\$ 47,302,243
Restricted cash and cash equivalents	<u>42,310,760</u>	<u>50,051,211</u>
	<u>\$ 85,633,910</u>	<u>\$ 97,353,454</u>
Supplemental disclosure of non-cash investing and financing activities		
Interest charged to construction	\$ 204,482	\$ 77,374
Bond issuance costs paid by underwriter	\$ 248,549	\$ 297,420
Construction in progress reported in accounts payable	\$ 1,147,131	\$ 512,063

The accompanying notes are an integral part of these statements.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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.

In June, 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68). 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.

The District adopted GASB Statement No. 72 - Fair Value Measurement and Application - as of July 1, 2015. The standard addresses accounting and financial reporting issues related to fair value measurements. The District adopted GASB Statement No. 76 - The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments - as of July 1, 2015. The Standard addresses the sources and classification of authoritative literature in establishing GAAP.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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*. These statements amend Statement No. 14, *The Financial Reporting Entity*, 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. 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

Investments are reported at fair value. Fair value is determined based on quoted market prices for United States Treasury and Agency securities. The District held no US Treasury or Agency securities as of June 30, 2016.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments (continued)

The Wisconsin Investment Series Cooperative (WISC) was created in 1988 and is a comprehensive cash management program exclusively for Wisconsin school districts, technical college districts, municipalities, and other public entities. An investment in the fund represents an undivided beneficial ownership interest in the assets of WISC and the securities and 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 and the Investment Series. Each of these series is invested in a separate portfolio of permitted investments. Annually audited financial statements of WISC are provided to all participants. At June 30, 2016 and 2015, 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, 2016 and 2015, 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 are valued at their estimated fair market value at the time of receipt. 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, 2016 and 2015, the District had capitalized interest of \$204,482 and \$77,374, respectively.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Taxes and Taxes Receivable

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

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

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

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

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

The 2016 and 2015 tax levies were as follows:

	Fiscal Year ending June 30,	
	2016	2015
	<hr/>	
Mill rate for operations Operational levy	0.50821	0.50028
Mill rate for debt service Debt Service levy		
Total mill rate	0.92736	0.93374
Total tax levy	\$ 66,685,505	\$ 64,954,697

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accumulated Unpaid Vacation, Sick Pay 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). 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.

The WRS adopted GASB Statement No. 82, Pension Issues, an amendment of GASB No. 67, No. 68, and No. 73 during the year ended December 2015. Statement No. 82 addresses the presentation of payroll-related measures in the Required Supplementary Information, the selection of assumptions used in determining the total pension liability and related measures, and the classification of employer-paid member contributions.

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.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Principal 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.

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.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification of Revenue and Expense (continued)

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.

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.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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

Cash, Cash Equivalents and Investments

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

	<u>2016</u>	<u>2015</u>
Cash and cash equivalents		
Petty cash funds	\$ 16,222	\$ 17,026
Cash in bank	71,985,955	89,001,395
Certificates of Deposit	10,000,000	
Wisconsin Local Government Investment Pool (LGIP)	579,982	734,254
Wisconsin Investment Series Cooperative - Cash Management Series	<u>3,051,751</u>	<u>7,600,779</u>
Cash and cash equivalent sub-total	85,633,910	97,353,454
Investments		
Certificates of Deposit	<u>253,938</u>	<u>253,810</u>
Total cash, cash equivalents and investments	<u>\$ 85,887,848</u>	<u>\$ 97,607,264</u>

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

	<u>2016</u>	<u>2015</u>
Current assets		
Unrestricted cash and cash equivalents	\$ 43,323,150	\$ 47,302,243
Restricted cash and cash equivalents	42,310,760	50,051,211
Restricted investments	<u>253,938</u>	<u>253,810</u>
Total cash, cash equivalents and investments	<u>\$ 85,887,848</u>	<u>\$ 97,607,264</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, 2016 and 2015, the District had cash bank balances of \$72.0 and \$89.0 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, 2016 AND 2015**

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

Cash, Cash Equivalents and Investments (continued)

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.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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

Cash, Cash Equivalents and Investments (continued)

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, 2016 and 2015, the District had \$3,938 and \$3,810, respectively, exposed to custodial credit risk on its investments.

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

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.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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

Cash, Cash Equivalents and Investments (continued)

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

	<u>2016</u>	<u>2015</u>
Restricted for:		
Debt service	\$ 4,021,171	\$ 3,597,471
Capital projects	<u>38,543,527</u>	<u>46,707,550</u>
Total restricted	42,564,698	50,305,021
Unrestricted	<u>43,323,150</u>	<u>47,302,243</u>
Total cash and cash equivalents and investments	<u>\$ 85,887,848</u>	<u>\$ 97,607,264</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, 2016 AND 2015**

NOTE C - CAPITAL ASSETS

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

Capital assets, not being depreciated				
Land	\$ 4,541,772	\$ 524,366	\$ -	\$ 5,066,138
Construction in progress	<u>8,228,232</u>	<u>18,940,733</u>	<u>5,126,034</u>	<u>22,042,931</u>
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	<u>98,984,521</u>	<u>13,467,910</u>	<u>1,548,886</u>	<u>110,903,545</u>
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	70,801,387	6,975,322	2,953,826	74,822,883
Equipment	<u>66,303,655</u>	<u>12,111,623</u>	<u>1,193,228</u>	<u>77,222,050</u>
Total accumulated depreciation	<u>141,594,645</u>	<u>19,326,838</u>	<u>4,147,054</u>	<u>156,774,429</u>
 Total capital assets, being depreciated, net	 <u>207,742,363</u>	 <u>(2,327,994)</u>	 <u>593,408</u>	 <u>204,820,961</u>
 Net capital assets	 220,512,367	 <u>\$ 17,137,105</u>	 <u>\$ 5,719,442</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, 2016 AND 2015**

NOTE C - CAPITAL ASSETS (continued)

Capital asset activity was as follows for the year ended June 30, 2015:

	2015			Ending Balance
	Beginning Balance	Additions	Deletions	
Capital assets, not being depreciated				
Land	\$ 5,550,700	\$ -	\$ 1,008,928	\$ 4,541,772
Construction in progress	4,628,988	8,228,232	4,628,988	8,228,232
Total capital assets, not being depreciated	<u>10,179,688</u>	<u>8,228,232</u>	<u>5,637,916</u>	<u>12,770,004</u>
Capital assets, being depreciated				
Land improvements	9,462,463	261,015	20,413	9,703,065
Building and improvements	238,749,622	2,600,107	700,307	240,649,422
Equipment	87,350,173	12,068,142	433,794	98,984,521
Total capital assets, being depreciated	<u>335,562,258</u>	<u>14,929,264</u>	<u>1,154,514</u>	<u>349,337,008</u>
Less accumulated depreciation for				
Land improvements	4,276,375	224,251	11,023	4,489,603
Building and improvements	64,048,880	7,138,084	385,577	70,801,387
Equipment	54,512,452	12,175,728	384,525	66,303,655
Total accumulated depreciation	<u>122,837,707</u>	<u>19,538,063</u>	<u>781,125</u>	<u>141,594,645</u>
Total capital assets, being depreciated, net	<u>212,724,551</u>	<u>(4,608,799)</u>	<u>373,389</u>	<u>207,742,363</u>
Net capital assets	222,904,239	<u>\$ 3,619,433</u>	<u>\$ 6,011,305</u>	220,512,367
Less general obligation debt	(167,705,000)			(174,145,000)
Less capital lease	(58,912)			(53,799)
Plus unexpended debt proceeds included in general obligation debt	<u>27,884,460</u>			<u>42,922,021</u>
Total invested in capital assets, net of related debt	<u>\$ 83,024,787</u>			<u>\$ 89,235,589</u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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, 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>

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2015</u>	<u>Due Within One Year</u>
Notes and bonds payable	\$ 167,705,000	\$31,070,000	\$24,630,000	\$ 174,145,000	\$22,835,000
Capital lease	58,912	-	5,113	53,799	4,826
Compensated absences	18,352,288	6,645,574	7,407,362	17,590,500	6,274,764
Other postemployment benefits	2,723,841	1,562,438	1,495,000	2,791,279	-
Premium on notes and bonds payable	7,584,224	1,316,384	778,602	8,122,006	-
	<u>\$ 196,424,265</u>	<u>\$40,594,396</u>	<u>\$34,316,077</u>	<u>\$ 202,702,584</u>	<u>\$29,114,590</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, 2016 AND 2015**

NOTE D - LONG TERM LIABILITIES (continued)

The debt obligations of the District at June 30, 2016 and 2015 are as follows:

	<u>Buyer</u>	<u>2016</u>	<u>2015</u>
Series 2008-09C Note			
<p>\$2,935,000 general obligation promissory note payable issued June 1, 2009 with interest at 1.35% to 2.50%, 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, 2016. Proceeds used to remodel and improve facilities, and to purchase moveable equipment.</p>	UMB Bank NA	\$ -	\$ 175,000
Series 2009-10B Note			
<p>\$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.</p>	M&I Marshall & Ilsley Bank	1,085,000	2,170,000
Series 2009-10C Note			
<p>\$10,360,000 general obligation promissory note payable issued April 8, 2010 with interest at 1.00 to 2.00%, 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, 2016. Proceeds used to acquire moveable equipment and various improvement projects.</p>	Piper Jaffray	-	720,000
Series 2010-11B Note			
<p>\$13,740,000 general obligation promissory note payable issued February 1, 2011 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, 2016. Proceeds used to acquire moveable equipment.</p>	Baird	-	2,745,000
Series 2010-11A Bond			
<p>\$12,100,000 general obligation school improvements bonds issued March 2, 2011 with interest at 2.50 to 3.50% payable semiannually in March and September; payments are varying amounts are due on March 1 of each year until maturity on March 1, 2021. Proceeds used to acquire and improve sites; constructing new buildings and facilities; adding to, upgrading, remodeling, and improving existing buildings, and acquiring furnishings, fixtures and equipment.</p>	M&I Marshall and Ilsley and Stern, Agee & Leach	6,690,000	7,895,000

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE D - LONG TERM LIABILITIES (continued)

	<u>Buyer</u>	<u>2016</u>	<u>2015</u>
<p>Series 2010-11B Bond \$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.</p>	Piper Jaffray	\$ 32,190,000	\$ 33,725,000
<p>Series 2010-11C Note \$4,530,000 general obligation promissory note payable issued April 1, 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, 2016. Proceeds used to acquire moveable equipment, building remodeling and improvement, and construction of buildings, additions, or enlargements.</p>	Piper Jaffray	-	900,000
<p>Series 2011-12A Bond \$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.</p>	Citi	46,685,000	49,015,000
<p>Series 2011-12A Note \$7,050,000 general obligation promissory note payable issued August 24, 2011 with interest at 2.00 to 2.50% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2020. Proceeds used to acquire moveable equipment.</p>	Bosc, Inc.	2,500,000	3,410,000
<p>Series 2011-12B Note \$7,050,000 general obligation promissory note payable issued February 1, 2012 with interest at 2.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2021. Proceeds used to acquire and improve sites; adding to, upgrading, remodeling, and improving existing buildings, and acquiring furnishings, fixtures and equipment.</p>	Piper Jaffray	3,000,000	4,000,000

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE D - LONG TERM LIABILITIES (continued)

Series 2011-12C Note	<u>Buyer</u>	<u>2016</u>	<u>2015</u>
<p>\$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	\$ 1,190,000	\$ 1,740,000
<p>Series 2012-13A Note \$10,500,000 general obligation promissory note payable issued August 29, 2012 with interest at 1.50 to 2.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2021. Proceeds used to improve sites and acquire moveable equipment.</p>	Hutchinson, Shockey, Erley, & Co.	3,490,000	4,760,000
<p>Series 2012-13B Note \$10,500,000 general obligation promissory note payable issued February 1, 2013 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2022. Proceeds used to remodel buildings and improvements and acquire moveable equipment.</p>	Janney Capital Markets	5,255,000	6,435,000
<p>Series 2012-13C Note \$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	1,070,000
<p>Series 2012-13A Bond \$13,000,000 general obligation school improvement bonds issued June 27, 2013 with interest at 2.00 to 4.25% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2033. Proceeds used to acquire and improve sites; constructing new buildings and facilities; adding to, upgrading, remodeling, and improving existing buildings, and acquiring furnishings, fixtures and equipment.</p>	Piper Jaffray	11,955,000	12,205,000

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE D - LONG TERM LIABILITIES (continued)

Series 2013-14A Note	<u>Buyer</u>	<u>2016</u>	<u>2015</u>
<p>\$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	\$ 4,725,000	\$ 6,265,000
<p>Series 2013-14B Note \$9,285,000 general obligation promissory note payable issued January 29, 2014 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2023. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.</p>	Piper Jaffray	5,120,000	6,275,000
<p>Series 2013-14C Note \$2,500,000 general obligation promissory note payable issued June 30, 2014 with interest at 1.00 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2024. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment and site improvements.</p>	Hutchinson, Shockey, Erley, & Co.	2,000,000	2,230,000
<p>Series 2014-15A Note \$8,000,000 general obligation promissory note payable issued August 26, 2014 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2024. Proceeds used to acquire moveable equipment.</p>	Janney Montgomery Scott LLC	5,220,000	5,790,000
<p>Series 2014-15B Note \$8,500,000 general obligation promissory note payable issued January 29, 2015 with interest at 1.50 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2024. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.</p>	Janney Montgomery Scott LLC	8,050,000	8,050,000

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE D - LONG TERM LIABILITIES (continued)

	<u>Buyer</u>	<u>2016</u>	<u>2015</u>
<p>Series 2014-15A Bond \$10,070,000 general obligation school improvement bonds issued June 30, 2015 with interest at 3.00 to 4.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2033. Proceeds used to acquire and improve sites; constructing new buildings and facilities; adding to, upgrading, remodeling, and improving existing buildings, and acquiring furnishings, fixtures and equipment.</p>	Piper Jaffray	\$ 9,570,000	\$ 10,070,000
<p>Series 2014-15C Note \$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>	Baird	2,040,000	4,500,000
<p>Series 2015-16A Note \$4,150,000 general obligation promissory note payable issued September 1, 2015 with interest at 2.00 to 4.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2018. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.</p>	Hutchinson, Shockey, Erley, & Co.	2,350,000	-
<p>Series 2015-16B Note \$4,150,000 general obligation promissory note payable issued October 28, 2015 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments are varying amounts are due on March 1 of each year until maturity on March 1, 2020. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.</p>	Fidelity Capital Markets	4,150,000	-
<p>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.</p>	FTN Financial Capital Markets	4,150,000	-

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE D - LONG TERM LIABILITIES (continued)

Series 2015-16D Note	<u>Buyer</u>	<u>2016</u>	<u>2015</u>
<p>\$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.</p>	Fidelity Capital Markets	\$ 4,150,000	\$ -
<p>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.</p>	Fidelity Capital Markets	4,100,000	-
<p>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.</p>	Piper Jaffray	<u>4,100,000</u>	<u>-</u>
Total General Obligation Debt		<u>\$ 174,310,000</u>	<u>\$ 174,145,000</u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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
2017	\$ 22,115,000	\$ 6,062,433	\$ 28,177,433	\$ 4,556	\$ 40,900	\$ 45,456
2018	20,235,000	5,436,250	25,671,250	4,300	41,611	45,911
2019	17,260,000	4,813,550	22,073,550	4,059	42,311	46,370
2020	15,065,000	4,304,000	19,369,000	3,831	43,002	46,833
2021	12,845,000	3,853,750	16,698,750	3,617	43,685	47,302
2022-2026 (5 year total)	45,005,000	13,986,175	58,991,175	15,259	228,441	243,700
2027-2031 (5 year total)	38,090,000	6,197,813	44,287,813	11,434	244,697	256,131
2031-2033 (2 year total)	3,695,000	231,413	3,926,413	1,917	50,856	52,773
	<u>\$ 174,310,000</u>	<u>\$ 44,885,384</u>	<u>\$ 219,195,384</u>	<u>\$ 48,973</u>	<u>\$ 735,503</u>	<u>\$ 784,476</u>

Years Ending June 30	Total		
	Principal	Interest	Subtotal
2017	\$ 22,119,556	\$ 6,103,333	\$ 28,222,889
2018	20,239,300	5,477,861	25,717,161
2019	17,264,059	4,855,861	22,119,920
2020	15,068,831	4,347,002	19,415,833
2021	12,848,617	3,897,435	16,746,052
2022-2026 (5 year total)	45,020,259	14,214,616	59,234,875
2027-2031 (5 year total)	38,101,434	6,442,510	44,543,944
2031-2033 (2 year total)	3,696,917	282,269	3,979,186
	<u>\$ 174,358,973</u>	<u>\$ 45,620,887</u>	<u>\$ 219,979,860</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 2015-2016 was \$3,776,113,218; the aggregate indebtedness of the District for the same period was \$174,310,000. The 5% limit for 2014-15 was \$3,633,897,981; the aggregate indebtedness of the District for the same period was \$174,145,000. Debt service funds of \$2,119,451 available on June 30, 2016 result in a margin of \$3,603,922,669. Debt service funds of \$1,754,739 available on June 30, 2015 result in a margin of \$3,461,507,720.

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 2015-2016 was \$1,510,445,287; the 2% limit for 2014-2015 was \$1,453,559,193. The District had bonded indebtedness of \$174,310,000 and \$174,145,000 for the years ending June 30, 2016 and June 30, 2015, respectively. Debt service funds of \$2,119,451 available on June 30, 2016 result in a margin of \$1,338,254,738. Debt service funds of \$1,754,739 available on June 30, 2015 result in a margin of \$1,281,168,932.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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.

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, 2016 and 2015 were \$626,146 and \$642,220, respectively.

The WRS also provides death and disability benefits for employees.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2.0

Contributions – Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. 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 \$6,187,208 in contributions from the employer. All District employees covered by the WRS fall under the General category.

Contribution rates as of June 30, 2015 are:

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

Contribution rates as of June 30, 2016 are:

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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, 2016, the District reported a liability (asset) of \$10,778,119 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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, 2015, the District's proportion was 0.6633%, which was a decrease of 0.0213% from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$12,959,343.

At June 30, 2016, 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	\$1,881,843	\$22,682,369
Changes in assumptions	7,540,842	0
Net differences between projected and actual earnings on pension plan investments	44,318,604	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	125,615
Employer contributions subsequent to the measurement date	2,979,589	0
Total	\$56,720,878	\$22,807,983

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE E - RETIREMENT PLAN (continued)

\$2,979,589 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, 2017. 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
2016	\$13,969,419	\$5,524,639
2017	13,969,419	5,524,639
2018	13,969,419	5,524,639
2019	11,591,781	5,507,419
2020	241,251	726,648
Thereafter	0	0

Actuarial assumptions. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset)	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair 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 on upon the experience study conducted in 2012 using experience from 209-2011. The total pension liability for December 31, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

Long-term Expected Real Rate of Return - 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.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE E - RETIREMENT PLAN (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Retirement Funds					
Asset Allocation Targets and Expected Returns					
As of December 31, 2015					
Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %	
U.S. Equities	27 %	23 %	7.6 %	4.7 %	
International Equities	24.5	22	8.5	5.6	
Fixed Income	27.5	37	4.4	1.6	
Inflation Sensitive Assets	10	20	4.2	1.4	
Real Estate	7	7	6.5	3.6	
Private Equity/Debt	7	7	9.4	6.5	
Multi-Asset	4	4	6.7	3.8	
Total Core Fund	107 %	120 %	7.4 %	4.5 %	
Variable Fund Asset Class					
U.S. Equities	70 %	70 %	7.6 %	4.7 %	
International Equities	30	30	8.5	5.6	
Total Variable Fund	100 %	100 %	7.9 %	5 %	

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

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

Single Discount rate - A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.57%. 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.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE E - RETIREMENT PLAN (continued)

Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate - The following presents the District's proportionate share of the net pension liability (asset) calculated using the 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:

	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)	\$75,597,936	\$10,778,119	(\$39,847,313)

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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>2016</u>	<u>2015</u>
Annual required contribution	\$ 1,343,337	\$ 1,615,643
Interest on net OPEB obligation	83,738	81,715
Adjustment to annual required contribution	<u>(138,261)</u>	<u>(134,920)</u>
Annual OPEB cost (expense)	1,288,814	1,562,438
Contributions made	<u>(1,902,000)</u>	<u>(1,495,000)</u>
Increase in net OPEB obligation	(613,186)	67,438
Net OPEB Obligation - Beginning of Year	<u>2,791,279</u>	<u>2,723,841</u>
Net OPEB Obligation - End of Year	<u><u>\$ 2,178,093</u></u>	<u><u>\$ 2,791,279</u></u>

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, 2016	\$ 1,288,814	147.58%	\$ 2,178,093
June 30, 2015	1,562,438	95.65%	2,791,279
June 30, 2014	1,541,453	89.98%	2,723,841

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (continued)

The funded status of the plan as of July 1, 2015, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 16,246,198
Actuarial value of plan assets	<u>-</u>
 Unfunded Actuarial Accrued Liability (UAAL)	 <u>\$ 16,246,198</u>
 Funded ratio (actuarial value of plan assets/AAL)	 0%
Covered payroll (active plan members) - Fiscal Year 2014-2015	\$ 91,551,015
UAAL as a percentage of covered payroll	17.7%

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, 2016 AND 2015**

NOTE G - COMMITMENTS

Operating Leases

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

<u>Operating Leases</u>	
Year Ending June 30	
2017	\$ 1,016,111
2018	935,241
2019	936,539
2020	943,972
2021	966,486
Thereafter	<u>1,336,543</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, 2016 and 2015 were \$2,280,142 and \$2,396,432, 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, 2016 are as follows:

Year Ending June 30	
2017	\$ 45,456
2018	45,911
2019	46,370
2020	46,833
2022-2026	47,302
2027-2031	243,699
2032	256,130
	<u>52,773</u>
Total required minimum lease payments	784,474
Less amount representing interest	<u>(735,501)</u>
Net Present Value of minimum lease payments	<u>\$ 48,973</u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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 \$400,225,000 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, 2016 and 2015, the District paid DMI insurance premiums of \$859,836 and \$760,651, 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, 2016 AND 2015**

NOTE H - RISK MANAGEMENT (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</u> <u>Year</u>	<u>Beginning</u> <u>Balance</u>	<u>Plus:</u> <u>Claims</u>	<u>Less:</u> <u>Payments</u>	<u>Ending</u> <u>Balance</u>
2016	\$ 70,000	\$ 1,550,336	\$ 1,550,336	\$ 70,000
2015	\$ 70,000	\$ 1,402,612	\$ 1,402,612	\$ 70,000

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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, 2016 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 involved in numerous 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>2016</u>	<u>2015</u>
Salaries and wages	\$ 100,020,164	\$ 98,663,176
Fringe benefits	39,789,361	32,868,470
Travel, memberships and subscriptions	1,093,668	1,803,095
Supplies	19,545,018	3,397,648
Postage	247,103	232,606
Contract services	20,409,447	25,947,571
Rentals	2,350,513	2,442,981
Credit	971,379	949,235
Insurance	1,047,070	1,045,092
Utilities	2,639,741	3,665,268
Depreciation	19,326,838	19,538,063
Student aid	<u>9,250,144</u>	<u>14,558,999</u>
 Total Operating Expenses	 <u>\$ 216,690,447</u>	 <u>\$ 205,112,204</u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE L - RECLASSIFICATION

In 2016, certain amounts were reclassified for 2015 where appropriate to conform with the 2016 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, 2016, the District leases space to nine unique tenants. The total anticipated lease payments to be made to the College are \$558,973 for fiscal year 2016-17. 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, 2016, the District issued General Obligation Promissory Notes, Series 2016-17A, totaling \$4,235,000 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, 2018. 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 September 29, 2016, the District issued General Obligation Promissory Notes, Series 2016-17B, totaling \$4,235,000 with interest rates at 4.0% payable on March 1 and September 1 annually. Principal payments of varying amounts are due on March 1 of each year until maturity on March 1, 2018. 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 22, 2016, the District issued General Obligation Promissory Notes, Series 2016-17C, totaling \$4,235,000 with interest rates between 2.00 and 3.00% 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, 2022. 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.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
OTHER POSTEMPLOYMENT AND PENSION
BENEFITS PLAN
(UNAUDITED)
Year Ended June 30, 2016**

SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS PLAN

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Projected Unit Credit</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
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%
07/01/11	-	17,060,014	17,060,014	0%	90,970,358	18.75%

The data presented above was taken from the actuarial report.

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(ASSET)**

Wisconsin Retirement System
Last Fiscal Year*

	2015
District's proportion of the net pension liability (asset)	0.6633%
District's proportionate share of the net pension liability (asset)	\$10,778,119
District's covered-employee payroll	\$90,934,540
District's proportionate share of the net pension liability/asset as a percentage of its covered payroll	11.9%
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.2%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
OTHER POSTEMPLOYMENT AND PENSION
BENEFITS PLAN
(UNAUDITED)
Year Ended June 30, 2016**

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

Contractually required contributions	\$6,187,208
Contributions in relation to the contractually required contributions	(\$6,187,208)
Contribution deficiency (excess)	\$0
District's covered-employee payroll	\$90,934,540
Contributions as a percentage of covered-employee payroll	6.80%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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.

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, 2016

	Original Budget	Final Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues						
Local government	\$ 34,696,000	\$ 34,500,100	\$ 34,500,895	\$ -	\$ 34,500,895	\$ 795
Intergovernmental revenue						
State	73,868,000	73,930,611	74,072,831	-	74,072,831	142,220
Federal	260,000	260,000	163,573	-	163,573	(96,427)
Tuition and fees						
Statutory program fees	38,402,000	38,402,000	37,817,245	-	37,817,245	(584,755)
Material fees	1,223,000	1,223,000	1,405,296	-	1,405,296	182,296
Other student fees	1,890,000	1,890,000	2,181,918	-	2,181,918	291,918
Institutional	1,187,000	1,187,000	1,214,419	-	1,214,419	27,419
Total revenues	<u>151,526,000</u>	<u>151,392,711</u>	<u>151,356,178</u>	<u>-</u>	<u>151,356,178</u>	<u>(36,533)</u>
Expenditures						
Instruction	105,060,000	105,965,960	101,031,332	(36,489)	100,994,843	4,971,117
Instructional resources	3,702,000	3,739,589	3,237,778	(10,952)	3,226,826	512,763
Student services	15,343,000	15,399,408	14,144,115	(1,127)	14,142,988	1,256,420
General institutional	13,067,000	13,126,936	13,248,829	(12,311)	13,236,518	(109,582)
Physical plant	15,037,000	15,123,091	14,305,600	(282,373)	14,023,227	1,099,864
Public service	342,000	344,727	380,000	-	380,000	(35,273)
Total expenditures	<u>152,551,000</u>	<u>153,699,711</u>	<u>146,347,655</u>	<u>(343,252)</u>	<u>146,004,403</u>	<u>7,695,308</u>
Excess (deficiency) of revenues over expenditures	<u>(1,025,000)</u>	<u>(2,307,000)</u>	<u>5,008,523</u>	<u>343,252</u>	<u>5,351,775</u>	<u>7,658,775</u>
Other financing sources (uses)						
Transfers in	450,000	100,301	100,301	-	100,301	-
Transfers out	-	(480,000)	(4,920,853)	-	(4,920,853)	(4,440,853)
Net change in fund balance	<u>450,000</u>	<u>(379,699)</u>	<u>(4,820,552)</u>	<u>-</u>	<u>(4,820,552)</u>	<u>(4,440,853)</u>
Net change in fund balance	(575,000)	(2,686,699)	187,971	343,252	531,223	3,217,922
Fund balance at July 1, 2015	<u>51,909,508</u>	<u>51,909,508</u>	<u>51,338,938</u>	<u>(394,907)</u>	<u>50,944,031</u>	<u>(965,477)</u>
Fund balance at June 30, 2016	<u>\$ 51,334,508</u>	<u>\$ 49,222,809</u>	<u>\$ 51,526,909</u>	<u>\$ (51,655)</u>	<u>\$ 51,475,254</u>	<u>\$ 2,252,445</u>
Fund balance						
Assigned for future purchases			\$ 51,655			
Nonspendable - prepaid items and advances			99,348			
Nonspendable - noncurrent assets			3,390			
Assigned for compensated absences			9,112,864			
Assigned for state aid fluctuations			1,268,800			
Assigned for subsequent year			634,400			
Assigned for subsequent years			1,903,200			
Assigned for operations			38,453,252			
			<u>\$ 51,526,909</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues						
Local government - tax levy	\$ 1,585,000	\$ 1,585,000	\$ 1,585,000	\$ -	\$ 1,585,000	\$ -
Intergovernmental revenue						
State	5,083,000	5,908,592	3,373,379	-	3,373,379	(2,535,213)
Federal	4,327,000	4,359,336	4,985,006	-	4,985,006	625,670
Tuition and fees						
Program fees	605,000	605,000	104,748	-	104,748	(500,252)
Material fees	75,000	73,740	54,479	-	54,479	(19,261)
Other student fees	607,000	579,266	942,691	-	942,691	363,425
Institutional	<u>2,455,000</u>	<u>2,370,737</u>	<u>2,587,350</u>	<u>-</u>	<u>2,587,350</u>	<u>216,613</u>
Total revenues	<u>14,737,000</u>	<u>15,481,671</u>	<u>13,632,653</u>	<u>-</u>	<u>13,632,653</u>	<u>(1,849,018)</u>
Expenditures						
Instruction	12,568,000	13,293,629	11,566,548	-	11,566,548	1,727,081
Instructional resources	124,000	88,640	68,234	-	68,234	20,406
Student services	2,063,000	2,083,998	2,041,344	-	2,041,344	42,654
Physical Plant	15,000	15,404	-	-	-	15,404
General institutional	<u>-</u>	<u>-</u>	<u>18,116</u>	<u>-</u>	<u>18,116</u>	<u>(18,116)</u>
Total expenditures	<u>14,770,000</u>	<u>15,481,671</u>	<u>13,694,242</u>	<u>-</u>	<u>13,694,242</u>	<u>1,787,429</u>
Excess (deficiency) of revenues over expenditures	<u>(33,000)</u>	<u>-</u>	<u>(61,589)</u>	<u>-</u>	<u>(61,589)</u>	<u>(61,589)</u>
Other financing sources (uses)						
Transfers in	-	250,000	250,000	-	250,000	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(33,000)</u>	<u>250,000</u>	<u>188,411</u>	<u>-</u>	<u>188,411</u>	<u>(61,589)</u>
Fund balance at July 1, 2015	<u>784,720</u>	<u>784,720</u>	<u>635,866</u>	<u>-</u>	<u>635,866</u>	<u>(148,854)</u>
Fund balance at June 30, 2016	<u>\$ 751,720</u>	<u>\$ 1,034,720</u>	<u>\$ 824,277</u>	<u>\$ -</u>	<u>\$ 824,277</u>	<u>\$ (210,443)</u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT
SPECIAL REVENUE NON-AIDABLE FUND SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues						
Local government - tax levy	\$ 175,000	\$ 245,000	\$ 241,957	\$ -	\$ 241,957	\$ (3,043)
Intergovernmental revenue						
State	2,300,000	2,583,750	2,575,229	-	2,575,229	(8,521)
Federal	53,083,000	54,528,077	46,245,798	-	46,245,798	(8,282,279)
Institutional	830,000	1,108,353	1,051,231	-	1,051,231	(57,122)
Total revenues	56,388,000	58,465,180	50,114,215	-	50,114,215	(8,350,965)
Expenditures						
Student services	56,388,000	58,465,180	50,100,781	-	50,100,781	(8,364,399)
Net change in fund balance	-	-	13,434	-	13,434	13,434
Fund balance at July 1, 2015	350,567	350,567	352,958	-	352,958	2,391
Fund balance at June 30, 2016	\$ 350,567	\$ 350,567	\$ 366,392	\$ -	\$ 366,392	\$ 15,825

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues						
Intergovernmental revenue						
State	\$ 264,000	\$ 420,843	\$ 176,495	\$ -	\$ 176,495	\$ (244,348)
Federal	41,000	25,866	66,189	-	66,189	40,323
Institutional	-	2,003,750	747,393	-	747,393	(1,256,357)
	<u>305,000</u>	<u>2,450,459</u>	<u>990,078</u>	<u>-</u>	<u>990,078</u>	<u>(1,460,382)</u>
Total revenues						
Expenditures						
Capital outlay						
Instruction	10,392,000	11,033,651	6,115,051	(1,842,250)	4,272,801	6,760,850
Instructional resources	4,267,000	2,489,419	5,694,100	(2,857,472)	2,836,628	(347,209)
Student services	910,000	278,099	228,108	(86,591)	141,517	136,582
General institutional	2,268,000	3,099,021	2,665,309	(1,118,222)	1,547,087	1,551,934
Physical plant	25,805,000	39,055,758	20,804,201	7,396,874	28,201,075	10,854,683
Auxiliary service	8,134,000	5,241,864	2,384,661	(279,003)	2,105,658	3,136,206
Public service	190,000	69,162	154,328	(120,277)	34,051	35,111
	<u>51,966,000</u>	<u>61,266,974</u>	<u>38,045,758</u>	<u>1,093,059</u>	<u>39,138,817</u>	<u>22,128,157</u>
Total expenditures						
Excess (deficiency) of revenues over expenditures	<u>(51,661,000)</u>	<u>(58,816,515)</u>	<u>(37,055,680)</u>	<u>(1,093,059)</u>	<u>(38,148,739)</u>	<u>20,667,776</u>
Other financing sources						
Debt issued	24,800,000	24,900,000	24,800,000	-	24,800,000	(100,000)
Premiums on debt issued	-	-	248,549	-	248,549	248,549
Transfers in	-	-	2,740,853	-	2,740,853	2,740,853
Transfers out	-	-	-	-	-	-
	<u>24,800,000</u>	<u>24,900,000</u>	<u>27,789,402</u>	<u>-</u>	<u>27,789,402</u>	<u>2,889,402</u>
Total other financing sources (uses)						
Net change in fund balance	<u>(26,861,000)</u>	<u>(33,916,515)</u>	<u>(9,266,278)</u>	<u>(1,093,059)</u>	<u>(10,359,337)</u>	<u>23,557,178</u>
Fund balance at July 1, 2015	<u>26,861,000</u>	<u>33,916,515</u>	<u>42,922,021</u>	<u>(8,742,652)</u>	<u>34,179,369</u>	<u>262,854</u>
Fund balance (deficit) at June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,655,743</u>	<u>\$ (9,835,711)</u>	<u>\$ 23,820,032</u>	<u>\$ 23,820,032</u>

MADISON AREA TECHNICAL COLLEGE DISTRICT
DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues						
Local government - tax levy	\$ 30,140,681	\$ 30,140,681	\$ 30,140,681	\$ -	\$ 30,140,681	\$ -
Institutional	<u>-</u>	<u>-</u>	<u>3,128</u>	<u>-</u>	<u>3,128</u>	<u>3,128</u>
Total revenues	30,140,681	30,140,681	30,143,809	-	30,143,809	3,128
Expenditures						
Physical plant	<u>30,222,318</u>	<u>30,670,418</u>	<u>30,670,322</u>	<u>-</u>	<u>30,670,322</u>	<u>96</u>
Excess (deficiency) of revenues over expenditures	(81,637)	(529,737)	(526,512)	-	(526,512)	3,225
Other financing sources						
Premiums on debt issued	<u>-</u>	<u>770,000</u>	<u>950,212</u>	<u>-</u>	<u>950,212</u>	<u>180,212</u>
Net change in fund balance	(81,637)	240,263	423,700	-	423,700	183,437
Fund balance at July 1, 2015	<u>3,284,459</u>	<u>3,284,459</u>	<u>3,597,471</u>	<u>-</u>	<u>3,597,471</u>	<u>313,012</u>
Fund balance at June 30, 2016	<u>\$ 3,202,822</u>	<u>\$ 3,524,722</u>	<u>\$ 4,021,171</u>	<u>\$ -</u>	<u>\$ 4,021,171</u>	<u>\$ 183,437</u>

MADISON AREA TECHNICAL COLLEGE DISTRICT
ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Operating revenues						
Local government - tax levy	\$ 115,000	\$ 115,000	\$ 115,000	\$ -	\$ 115,000	\$ -
Intergovernmental revenue						
Federal	3,500	3,500	1,898	-	1,898	(1,602)
Auxiliary revenue	<u>9,584,500</u>	<u>9,584,500</u>	<u>8,493,314</u>	<u>-</u>	<u>8,493,314</u>	<u>(1,091,186)</u>
Total revenues	9,703,000	9,703,000	8,610,212	-	8,610,212	(1,092,788)
Operating expenses						
Auxiliary services	<u>10,025,000</u>	<u>10,025,000</u>	<u>9,373,858</u>	<u>-</u>	<u>9,373,858</u>	<u>651,142</u>
Excess (deficiency) of revenues over expenses	(322,000)	(322,000)	(763,646)	-	(763,646)	(441,646)
Non-operating revenues (expenses)						
Transfers in	-	130,000	1,930,000	-	1,930,000	1,800,000
Transfers out	<u>-</u>	<u>(301)</u>	<u>(301)</u>	<u>-</u>	<u>(301)</u>	<u>-</u>
Total non-operating revenues (expenses)	-	129,699	1,929,699	-	1,929,699	1,800,000
Net change in net position	(322,000)	(192,301)	1,166,053	-	1,166,053	1,358,354
Net position at July 1, 2015	<u>2,044,760</u>	<u>2,044,760</u>	<u>2,525,077</u>	<u>-</u>	<u>2,525,077</u>	<u>480,317</u>
Net position at June 30, 2016	<u>\$ 1,722,760</u>	<u>\$ 1,852,459</u>	<u>\$ 3,691,130</u>	<u>\$ -</u>	<u>\$ 3,691,130</u>	<u>\$ 1,358,354</u>

MADISON AREA TECHNICAL COLLEGE DISTRICT
INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Year Ended June 30, 2016

	<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>15,182,000</u>	<u>16,808,889</u>	<u>15,630,898</u>	<u>-</u>	<u>15,630,898</u>	<u>(1,177,991)</u>
Total revenues	15,182,000	16,808,889	15,630,898	-	15,630,898	(1,177,991)
Operating expenses						
Auxiliary services	<u>15,173,000</u>	<u>16,799,889</u>	<u>15,945,772</u>	<u>-</u>	<u>15,945,772</u>	<u>854,117</u>
Excess (deficiency) of revenues over expenses	9,000	9,000	(314,874)	-	(314,874)	(323,874)
Non-operating revenues						
Transfer out/(Other Uses)	<u>(450,000)</u>	<u>(550,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>	<u>450,000</u>
Total non-operating revenues	<u>(450,000)</u>	<u>(550,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>	<u>450,000</u>
Net change in net position	(441,000)	(541,000)	(414,874)	-	(414,874)	126,126
Net position at July 1, 2015	<u>4,387,501</u>	<u>4,387,501</u>	<u>4,188,481</u>	<u>-</u>	<u>4,188,481</u>	<u>(199,020)</u>
Net position at June 30, 2016	<u>\$ 3,946,501</u>	<u>\$ 3,846,501</u>	<u>\$ 3,773,607</u>	<u>\$ -</u>	<u>\$ 3,773,607</u>	<u>\$ 126,126</u>

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL
STATEMENTS TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

	<u>General Fund</u>	<u>Special Revenue Aidable Fund</u>	<u>Special Revenue Non-Aidable Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>	<u>Reconciling Items</u>	<u>Statement of Revenues, Expenses and Changes in Net Position</u>
Revenues										
Local government - tax levy	\$ 34,500,895	\$ 1,585,000	\$ 241,957	\$ -	\$ 30,140,681	\$ 115,000	\$ -	\$ 66,583,533	\$ -	\$ 66,583,533
Intergovernmental revenue										
State	74,072,831	3,373,379	2,575,229	176,495	-	-	-	80,197,934	-	80,197,934
Federal	163,573	4,985,006	46,245,798	66,189	-	1,898	-	51,462,464	(29,700,045)	21,762,419
Tuition and fees										
Program fees	37,817,245	104,748	-	-	-	-	-	37,921,993	(5,332,533)	32,589,460
Material fees	1,405,296	54,479	-	-	-	-	-	1,459,775	(211,339)	1,248,436
Other student fees	2,181,918	942,691	-	-	-	-	-	3,124,609	(755,737)	2,368,872
Institutional	1,214,419	2,587,350	1,051,231	747,393	3,128	-	-	5,603,521	-	5,603,521
Auxiliary revenue	-	-	-	-	-	8,493,314	15,630,898	24,124,212	(15,630,898)	8,493,314
Total revenues	151,356,177	13,632,653	50,114,215	990,077	30,143,809	8,610,212	15,630,898	270,478,041	(51,630,552)	218,847,489
Expenditures										
Instruction	100,994,843	11,566,548	-	4,272,801	-	-	-	116,834,192	(5,622,454)	111,211,738
Instructional resources	3,226,826	68,234	-	2,836,628	-	-	-	6,131,688	2,438,821	8,570,509
Student services	14,142,988	2,041,344	50,100,781	141,517	-	-	-	66,426,630	(52,136,238)	14,290,392
General institutional	13,236,518	18,116	-	1,547,087	-	-	-	14,801,721	(802,946)	13,998,775
Physical plant	14,023,227	-	-	28,201,075	30,670,322	-	-	72,894,624	(40,422,138)	32,472,486
Public service	380,000	-	-	34,051	-	-	-	414,051	249,994	664,045
Auxiliary services	-	-	-	2,105,658	-	9,373,858	15,945,772	27,425,288	(17,877,958)	9,547,330
Depreciation	-	-	-	-	-	-	-	-	19,326,838	19,326,838
Student aid	-	-	-	-	-	-	-	-	11,519,141	11,519,141
Total expenditures	146,004,402	13,694,242	50,100,781	39,138,817	30,670,322	9,373,858	15,945,772	304,928,194	(83,326,940)	221,601,254
Excess (deficiency) of revenues over expenditures	5,351,775	(61,589)	13,434	(38,148,740)	(526,513)	(763,646)	(314,874)	(34,450,153)	31,696,388	(2,753,765)
Other financing sources (uses)										
Transfers in	100,301	250,000	-	2,740,853	-	1,930,000	-	5,021,154	(5,021,154)	-
Transfers out	(4,920,853)	-	-	-	-	(301)	(100,000)	(5,021,154)	5,021,154	-
Gain (loss) on the sale of assets	-	-	-	-	-	-	-	-	(158,325)	(158,325)
Debt issued	-	-	-	24,800,000	-	-	-	24,800,000	(24,800,000)	-
Premiums on notes issued	-	-	-	248,549	950,212	-	-	1,198,761	(1,198,761)	-
Net change in fund balance	531,223	188,411	13,434	(10,359,338)	423,699	1,166,053	(414,874)	(8,451,392)	5,539,302	(2,912,090)
Fund balance/Net position at July 1, 2015	50,944,031	635,866	352,958	34,179,369	3,597,471	2,525,077	4,188,481	96,423,253	52,534,496	148,957,749
Fund balance/Net position at June 30, 2016	\$ 51,475,254	\$ 824,277	\$ 366,392	\$ 23,820,032	\$ 4,021,171	\$ 3,691,130	\$ 3,773,607	\$ 87,971,861	\$ 58,073,798	\$ 146,045,659

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL
STATEMENTS TO BASIC FINANCIAL STATEMENTS
As of June 30, 2015

	General Fund	Special Revenue Aidable Fund	Special Revenue Non-Aidable Fund	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Internal Service Funds	Total	Reconciling items	Statement of Net Assets
ASSETS										
Current Assets										
Cash and cash equivalents	\$ 35,605,445	\$ (1,409,805)	\$ 2,707,442	\$ -	\$ -	\$ 2,759,013	\$ 2,990,871	\$ 42,652,966	\$ 670,184	\$ 43,323,150
Restricted cash and cash equivalents	-	-	-	-	-	-	670,184	670,184	41,640,576	42,310,760
Restricted investments	-	-	-	38,543,527	4,021,171	-	-	42,564,698	(42,310,760)	253,938
Accounts receivable	433,665	1,672,463	85,362	329,424	-	26,487	41,990	2,589,391	-	2,589,391
Property taxes receivable	16,620,562	-	-	-	-	-	-	16,620,562	-	16,620,562
Federal and state aid receivable	135,187	4,184,204	(8,457)	43,401	-	-	-	4,354,335	-	4,354,335
Student fee receivable, less allowance of \$4,120,000 for 2015 and \$3,850,000 for 2014	18,778,996	-	-	-	-	73,671	-	18,852,667	-	18,852,667
Inventories	-	-	-	-	-	950,963	42,760	993,723	-	993,723
Prepaid items	103,425	16,729	-	-	-	-	773,652	893,806	-	893,806
Total current assets	71,677,280	4,463,591	2,784,347	38,916,352	4,021,171	3,810,134	4,519,457	130,192,332	-	130,192,332
Non-current Assets										
Employee advances	(4,077)	-	19,076	-	-	-	-	14,999	-	14,999
Net pension asset	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	5,066,138	5,066,138
Construction in progress	-	-	-	-	-	-	-	-	22,042,931	22,042,931
Other capital assets	-	-	-	-	-	3,646,440	11,969,396	15,615,836	345,979,554	361,595,390
Less accumulated depreciation	-	-	-	-	-	(2,559,940)	(10,015,084)	(12,575,024)	(144,199,405)	(156,774,429)
Total non-current assets	(4,077)	-	19,076	-	-	1,086,500	1,954,312	3,055,811	228,889,218	231,945,029
TOTAL ASSETS	71,673,203	4,463,591	2,803,423	38,916,352	4,021,171	4,896,634	6,473,769	133,248,143	228,889,218	362,137,361
DEFERRED OUTFLOWS OF RESOURCES										
Deferred outflows of resources related to pensions	-	-	-	-	-	-	-	-	56,720,878	56,720,878
LIABILITIES										
Current Liabilities										
Accounts payable	678,060	1,420,336	-	5,016,597	-	(34,648)	600,108	7,680,453	77	7,680,530
Encumbrance payable	-	-	-	1,630,467	-	-	-	1,630,467	(1,630,467)	-
Accrued payroll	2,829,000	2,185,381	-	244,012	-	910,204	2,100,053	8,268,650	818,167	9,086,817
Accrued interest	-	-	-	-	-	-	-	-	1,901,720	1,901,720
Unearned program and material fees	16,639,235	33,597	-	-	-	329,948	-	17,002,780	(994,297)	16,008,483
Due to other organizations	-	-	1,410,861	-	-	-	-	1,410,861	-	1,410,861
Due to student organizations	-	-	1,026,170	-	-	-	-	1,026,170	-	1,026,170
Current portion of compensated absences	-	-	-	-	-	-	-	-	6,694,314	6,694,314
Reserve for Encumbrance	51,655	-	-	8,205,244	-	-	-	8,256,899	(8,256,899)	-
Current portion of long-term obligations	-	-	-	-	-	-	-	-	22,119,556	22,119,556
Total current liabilities	20,197,950	3,639,314	2,437,031	15,096,320	-	1,205,504	2,700,161	45,276,280	20,652,171	65,928,451
Long-term Liabilities										
Accrued compensated absences	-	-	-	-	-	-	-	-	10,493,764	10,493,764
General obligation notes payable	-	-	-	-	-	-	-	-	152,195,000	152,195,000
Capital lease	-	-	-	-	-	-	-	-	44,417	44,417
Net Pension Liability	-	-	-	-	-	-	-	-	10,778,119	10,778,119
Other long term liabilities	-	-	-	-	-	-	-	-	8,386,753	8,386,753
Other postemployment benefits	-	-	-	-	-	-	-	-	2,178,093	2,178,093
Total long-term liabilities	-	-	-	-	-	-	-	-	184,076,146	184,076,146
TOTAL LIABILITIES	20,197,950	3,639,314	2,437,031	15,096,320	-	1,205,504	2,700,161	45,276,280	204,728,317	250,004,597
DEFERRED INFLOWS OF RESOURCES										
Deferred inflows of resources related to pensions	-	-	-	-	-	-	-	-	22,807,983	22,807,983
NET ASSETS										
Net investment in capital assets	-	-	-	23,820,032	-	1,086,500	1,954,312	26,860,844	64,365,957	91,226,801
Restricted for debt service	-	-	-	-	4,021,171	-	-	4,021,171	(1,901,720)	2,119,451
Restricted for pension	-	-	-	-	-	-	-	-	-	-
Unrestricted	51,475,254	824,277	366,392	-	-	2,604,630	1,819,295	57,089,848	(4,390,440)	52,699,408
TOTAL NET ASSETS	\$ 51,475,254	\$ 824,277	\$ 366,392	\$ 23,820,032	\$ 4,021,171	\$ 3,691,130	\$ 3,773,607	\$ 87,971,863	\$ 58,073,797	\$ 146,045,660

**MADISON AREA TECHNICAL COLLEGE DISTRICT
 SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL
 STATEMENTS TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2016**

BUDGETS AND BUDGETARY ACCOUNTING

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

- Property taxes are levied by the various taxing municipalities located primarily in South Central Wisconsin. The District records as revenue its share of the local tax when levied.
- Public hearings are conducted on the proposed budget prior to District Board approval.
- Prior to July 1, the budget is legally enacted through approval by the District Board.
- Budget amendments made during the year are legally authorized. Budget transfers (between funds and functional areas within funds) and changes in budgeted revenues and expenditures (appropriations) require approval by a vote of two-thirds of the entire membership of the Board and require publishing a Class 1 public notice in the District's official newspaper within 10 days according to Wisconsin Statutes.
- Management exercises control over budgeted expenditures by fund and function as presented in the accompanying financial statements. Expenditures by fund and function may not exceed funds available, appropriated, or budgeted. All budget amendments must be authorized by a resolution adopted by a vote of two-thirds of the District Board. Appropriations lapse at year-end.

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

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

State	
Operating	\$ 6,447,173
Non-operating	73,750,761
	<u>\$ 80,197,934</u>

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

Institutional revenue	
Business and industry contract revenue	\$ 2,095,590
School District contract revenue	153,258
Miscellaneous revenue	2,122,492
Gifts, grants and bequest	967,842
Cost reimbursements	81,750
Investment income earned	182,589
	<u>\$ 5,603,521</u>

**MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL
STATEMENTS TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016**

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

Interest expense	
Physical plant	\$ 27,561,679
Interest expense	4,910,807
	<u>\$ 32,472,486</u>

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

Budgetary Basis fund balance	\$ 87,971,861
General capital assets capitalized	373,088,548
Accumulated depreciation on general capital assets	(144,199,405)
General obligation notes payable	(174,310,000)
Premiums on notes payable	(8,386,753)
Capital lease obligation	(48,973)
Compensated absences	(17,188,078)
Accrued interest on bonds	(1,901,720)
Summer school tuition earned	994,297
Summer school instructor wages paid	(818,167)
Encumbrances outstanding at year-end	9,887,366
Net Pension obligations	23,134,776
Net OPEB obligations	<u>(2,178,093)</u>
Net position per basic financial statements	<u>\$ 146,045,659</u>

STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

MADISON AREA TECHNICAL COLLEGE DISTRICT

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

	<u>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>	<u>2007</u>
Net investment in capital assets	\$ 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	\$ 54,928,850
Restricted for pension	-	16,814,521	-	-	-	-	-	-	-	-
Restricted for debt service	2,119,451	1,754,739	1,041,837	3,278,488	4,395,282	1,820,545	1,222,142	-	-	10,037
Unrestricted	52,699,407	41,152,900	27,311,530	27,120,372	31,600,454	31,067,333	19,909,083	23,660,949	31,840,945	29,291,340
Total Net Position	<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>	<u>\$ 84,230,227</u>

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Operating revenues										
Student program fees, net of scholarship	\$ 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	\$ 13,743,094
Student material fees, net of scholarship	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	612,293
Other student fees, net of scholarship	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	939,041
Federal grants	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	22,931,012
State grants	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	2,931,232
Business and industry contract revenue	2,095,590	1,769,275	1,597,989	859,982	1,065,180	871,884	873,530	1,316,450	1,389,907	1,167,486
School District contract revenue	153,258	196,181	178,302	218,558	242,900	267,295	309,863	274,588	244,450	229,553
Auxiliary enterprise revenues	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	9,601,301
Cost reimbursements	81,750	83,019	79,975	87,194	79,664	68,224	74,717	59,759	70,428	64,094
Miscellaneous	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	793,899
Total operating revenues	77,362,764	77,664,090	74,517,923	74,620,726	73,813,801	75,934,555	73,358,144	50,732,648	60,167,764	53,013,005
Operating expenses										
Instruction	111,211,738	110,963,880	112,485,244	110,735,748	103,801,205	109,064,599	106,258,865	91,498,550	85,935,547	80,017,132
Instructional resources	8,570,509	6,112,871	5,680,423	10,275,003	7,032,730	2,474,949	2,142,115	4,289,785	3,517,030	4,602,771
Student services	14,290,392	14,347,102	13,534,202	12,553,919	14,361,928	14,112,715	12,743,223	11,631,575	12,165,040	11,231,305
General institutional	13,998,775	18,280,779	16,792,372	15,679,095	15,006,634	14,731,034	13,932,730	14,232,082	10,777,244	11,154,812
Physical plant	27,561,679	13,511,787	14,985,883	12,527,817	15,435,723	13,418,770	15,563,948	12,517,470	12,581,018	11,709,673
Public service	664,045	348,639	395,696	347,053	360,280	272,402	250,254	246,966	242,165	268,229
Auxiliary enterprise services	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	8,969,528
Depreciation	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	4,834,726
Student aid	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	11,478,864
Total operating expenses	216,690,447	205,112,204	205,504,359	200,532,449	190,704,143	193,507,309	184,704,698	153,867,809	155,053,706	144,267,040
Operating loss	(139,327,683)	(127,448,114)	(130,986,436)	(125,911,723)	(116,890,342)	(117,572,754)	(111,346,554)	(103,135,161)	(94,885,942)	(91,254,035)
Non-operating revenues (expenses)										
Property taxes	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	79,990,740
State appropriations	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	12,784,849
Federal Capital Grant	-	-	-	-	-	-	-	-	-	9,113
Gifts, grants and bequests	967,842	721,743	825,229	660,950	507,954	208,401	644,846	142,979	97,779	76,284
Gain (loss) on disposal of capital assets	(158,325)	(262,602)	(13,792)	(5,465)	(145,712)	-	54,347	59,810	35,499	14,027
Investment income earned	182,589	91,664	80,534	199,139	459,290	57,226	330,362	647,245	2,637,386	3,009,287
Interest expense	(4,910,807)	(4,968,421)	(5,246,353)	(3,149,488)	(4,678,748)	(952,742)	(1,047,588)	(974,530)	(994,642)	(803,858)
Total non-operating revenues	136,415,593	134,729,817	132,765,865	133,431,211	126,543,169	117,195,015	110,574,314	102,377,980	101,287,961	95,080,442
INCREASE (DECREASE) IN NET POSITION	\$ (2,912,090)	\$ 7,281,703	\$ 1,779,429	\$ 7,519,488	\$ 9,652,827	\$ (377,739)	\$ (772,240)	\$ (757,181)	\$ 6,402,019	\$ 3,826,407

* 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
2006	46,235,793,100	13,794,575,000	1,303,094,400	574,186,900	239,256,200	410,743,800	1,633,800,400	1,554,720,600	65,746,170,400	64,919,717,380	1.21225
% of Total	70.3%	21.0%	2.0%	0.9%	0.4%	0.6%	2.5%	2.4%			
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	1,446,066,700	630,833,000	266,613,800	442,146,100	1,797,773,200	1,766,662,700	72,806,441,000	71,847,552,594	1.21141
% of Total	69.9%	21.4%	2.0%	0.9%	0.4%	0.6%	2.5%	2.4%			
2009	50,600,204,900	16,119,589,400	1,427,680,200	658,563,400	266,615,900	413,641,200	1,790,582,000	1,840,161,500	73,117,038,500	72,154,407,451	1.31303
% of Total	69.2%	22.0%	2.0%	0.9%	0.4%	0.6%	2.4%	2.5%			
2010	48,374,961,900	16,356,586,600	1,429,021,400	656,579,700	269,221,000	394,712,000	1,709,273,200	1,794,513,100	70,984,868,900	70,035,643,183	1.47462
% of Total	68.1%	23.0%	2.0%	0.9%	0.4%	0.6%	2.4%	2.5%			
2011	48,281,413,000	15,761,347,200	1,422,285,100	627,588,900	248,517,200	376,942,900	1,689,525,100	1,704,475,500	70,112,094,900	69,185,451,307	1.70944
% of Total	68.9%	22.5%	2.0%	0.9%	0.4%	0.5%	2.4%	2.4%			
2012	47,009,477,900	15,732,402,000	1,400,086,900	608,345,800	268,804,600	355,649,500	1,701,923,900	1,697,416,500	68,774,107,100	67,889,606,595	1.81563
% of Total	68.4%	22.9%	2.0%	0.9%	0.4%	0.5%	2.5%	2.5%			
2013	46,555,092,100	15,985,403,100	1,448,938,000	595,947,100	284,204,800	339,549,500	1,725,196,900	1,738,021,200	68,672,352,700	67,791,393,219	1.84099
% of Total	67.8%	23.3%	2.1%	0.9%	0.4%	0.5%	2.5%	2.5%			
2014	47,981,951,300	16,693,971,200	1,485,495,900	579,806,800	308,763,300	338,305,000	1,756,427,600	1,778,041,400	70,922,762,500	70,029,189,137	0.93374
% of Total	67.7%	23.5%	2.1%	0.8%	0.4%	0.5%	2.5%	2.5%			
2015	49,870,622,600	17,514,445,200	1,510,717,750	580,292,700	298,031,400	315,470,800	1,814,528,400	1,832,634,000	73,736,742,850	72,808,813,990	0.92735
% of Total	67.6%	23.8%	2.0%	0.8%	0.4%	0.4%	2.5%	2.5%			

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 ⁽²⁾ PROPERTY TAX RATES

Last Ten Years

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

	Calendar Year Taxes are Payable									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District direct rates										
Operational (1)	\$0.50821	\$0.50028	\$1.39401	\$1.37085	\$1.34174	\$1.32749	\$1.18113	\$1.08671	\$1.07564	\$1.08232
Debt Service	0.41914	0.43346	0.44698	0.44479	0.36770	0.14713	0.13190	0.12470	0.12333	0.12993
Total Direct Rate	0.92735	0.93374	1.84099	1.81564	1.70944	1.47462	1.31303	1.21141	1.19897	1.21225
Adams County										
T Dell Prairie	17.71	18.09	18.90	17.97	17.31	16.66	15.00	14.68	14.20	14.91
T Jackson	18.89	19.08	20.45	19.24	18.38	18.12	16.44	15.58	14.97	15.46
T New Haven	18.62	19.37	20.17	19.16	18.67	18.08	16.41	16.01	15.55	16.32
T Springville	19.37	19.39	20.94	19.90	18.92	18.50	16.78	15.92	15.07	16.00
C Wisconsin Dells	25.74	26.99	27.82	26.57	26.13	25.62	22.89	21.91	21.60	21.83
Columbia County										
T Arlington	21.28	21.48	22.88	22.04	21.88	20.73	19.63	18.38	18.77	17.96
T Caledonia	17.44	17.48	18.09	18.32	17.78	16.98	16.51	15.58	15.13	15.33
T Columbus	19.88	20.47	21.74	21.26	20.68	19.77	18.31	17.76	18.52	18.37
T Courtland	21.08	19.18	20.75	20.52	19.49	19.00	17.35	16.29	17.37	18.10
T Dekorra	18.51	18.55	20.43	19.10	18.89	17.81	17.06	16.08	15.67	15.00
T Fort Winnebago	18.21	18.30	18.95	19.35	18.73	17.73	17.41	16.66	16.17	16.43
T Fountain Prairie	21.04	21.37	22.34	22.75	22.43	21.42	19.72	17.89	19.61	19.02
T Hampden	20.18	20.55	21.86	21.21	20.69	19.91	18.28	17.69	18.12	18.06
T Leeds	20.84	21.00	22.29	21.87	21.70	20.76	19.17	18.61	18.74	18.69
T Lewiston	18.11	18.19	18.78	19.16	18.62	17.56	17.18	16.58	16.06	15.42
T Lodi	19.67	20.01	20.63	19.90	20.32	19.35	18.52	16.70	16.31	16.86
T Lowville	19.71	19.35	20.53	18.92	19.05	19.32	17.66	16.90	16.31	17.00
T Marcellon	18.77	18.83	20.29	19.62	19.21	18.52	17.61	15.67	15.22	14.40
T Newport	17.28	17.04	17.77	17.16	16.60	16.03	14.64	14.24	14.17	14.45
T Otsego	22.14	21.08	21.44	19.43	19.80	21.54	19.27	18.81	17.63	19.33
T Pacific	13.85	14.44	16.22	14.67	14.77	13.81	12.83	12.63	12.01	12.31
T Randolph	18.54	17.06	19.18	18.63	18.41	17.81	16.30	15.23	16.07	16.41
T Scott	18.04	17.75	19.92	19.41	19.24	18.66	17.33	15.86	15.92	15.66
T Springvale	19.66	18.86	20.23	18.79	18.71	19.31	17.74	16.33	15.73	16.76
T West Point	18.80	19.04	19.62	19.08	18.90	18.24	17.30	15.62	15.44	15.39
T Wyocena	18.64	18.50	19.52	18.69	18.64	18.23	17.24	15.45	14.99	14.49
V Arlington	21.60	21.34	23.22	23.03	22.47	21.35	21.06	20.07	19.68	18.57
V Cambria	26.03	25.46	28.48	26.89	25.73	24.94	23.36	22.29	22.58	22.71
V Doylestown	20.22	19.21	19.38	17.05	17.84	19.79	17.68	17.26	15.96	18.16

Legend: T - Town, V - Village, C - City

MADISON AREA TECHNICAL COLLEGE DISTRICT

DIRECT AND OVERLAPPING ⁽²⁾ PROPERTY TAX RATES

Last Ten Years

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

	Calendar Year Taxes are Payable									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
V Fall River	21.70	21.33	22.48	23.14	23.01	21.90	20.28	19.23	19.75	19.93
V Friesland	21.45	20.74	23.71	22.58	21.52	21.01	19.01	17.98	18.11	18.45
V Pardeeville	22.53	22.46	24.26	23.67	23.70	22.95	21.73	19.53	19.27	18.72
V Poynette	25.74	25.69	28.07	26.74	25.48	24.69	23.01	21.47	21.75	20.84
V Randolph	30.12	26.58	27.51	28.03	26.48	25.46	24.47	22.88	22.87	23.68
V Rio	26.53	25.76	25.68	22.98	23.84	25.13	22.60	21.72	20.55	23.13
V Wycocena	23.50	23.21	24.33	23.81	23.35	22.55	21.48	19.38	18.86	17.89
C Columbus	25.19	25.85	27.15	26.64	25.86	24.98	23.46	22.49	23.44	23.72
C Lodi	25.15	25.27	26.28	25.00	25.60	24.57	23.24	21.33	21.06	21.69
C Portage	25.10	25.12	25.58	26.24	24.70	23.80	23.15	22.23	21.60	21.91
C Wisconsin Dells	23.36	24.51	25.10	24.20	23.85	23.33	21.00	20.11	20.01	19.92
Dane County										
T Albion	18.08	17.63	18.95	19.35	17.98	17.40	16.03	14.41	14.96	14.77
T Berry	19.43	19.02	19.74	18.95	18.02	18.09	16.83	16.06	15.93	15.87
T Black Earth	20.16	19.51	20.44	19.63	18.47	18.63	17.40	17.07	16.68	16.17
T Blooming Grove	19.89	21.59	22.08	21.70	21.11	20.41	19.04	18.23	18.16	18.37
T Blue Mounds	16.56	17.54	18.08	17.57	17.20	16.36	15.25	14.63	14.57	13.73
T Bristol	18.69	18.84	20.14	19.46	19.03	18.22	16.85	15.92	15.48	15.17
T Burke	18.66	18.70	19.82	19.46	19.33	18.59	16.86	16.27	16.21	16.34
T Christiana	17.19	17.12	18.58	18.96	18.12	17.60	16.02	15.15	14.77	14.83
T Cottage Grove	21.05	21.90	23.04	22.21	21.72	21.04	19.60	19.57	18.48	18.51
T Cross Plains	18.30	18.43	18.70	18.26	17.53	16.93	15.70	14.86	15.04	15.29
T Dane	18.18	18.28	18.92	18.31	18.56	17.90	16.91	15.14	14.86	14.85
T Deerfield	20.12	20.50	21.17	21.39	20.95	19.22	17.81	17.98	16.58	16.94
T Dunkirk	19.25	19.16	20.06	19.68	17.81	16.81	15.29	13.73	13.82	13.67
T Dunn	19.05	19.22	20.22	20.22	18.78	18.01	16.57	15.79	15.75	15.43
T Madison	22.93	22.65	24.32	24.11	23.28	22.72	21.23	20.48	20.80	20.46
T Mazomanie	18.33	17.73	18.61	17.99	16.80	16.98	15.97	15.53	15.24	14.75
T Medina	20.53	20.52	21.77	19.02	17.99	17.33	16.51	16.62	16.37	15.92
T Middleton	18.85	18.78	19.43	19.01	18.25	18.18	16.86	15.70	15.44	14.87
T Montrose	18.95	18.85	19.75	19.09	18.11	17.19	16.34	15.80	16.10	16.38
T Oregon	19.23	18.96	20.18	19.85	19.22	18.54	17.21	16.42	16.93	16.07
T Perry	18.61	19.08	19.87	18.73	18.37	17.55	16.29	15.76	15.96	15.42
T Pleasant Springs	17.40	17.33	18.39	18.21	16.76	15.92	14.67	13.83	13.46	13.41
T Primrose	18.53	18.77	18.99	18.73	18.58	17.67	16.36	15.73	15.94	15.33
T Roxbury	17.61	17.73	18.16	17.63	17.17	17.05	15.74	14.16	14.24	13.95

Legend: T - Town, V - Village, C - City

MADISON AREA TECHNICAL COLLEGE DISTRICT

DIRECT AND OVERLAPPING ⁽²⁾ PROPERTY TAX RATES

Last Ten Years

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

	Calendar Year Taxes are Payable									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
T Rutland	19.23	19.12	20.33	19.88	18.61	17.85	15.99	15.07	15.13	14.72
T Springdale	16.70	17.31	17.96	17.56	17.03	16.26	15.09	14.61	14.46	14.30
T Springfield	18.34	17.82	18.45	18.09	17.49	17.51	16.23	14.92	14.92	14.88
T Sun Prairie	20.12	20.08	21.31	20.44	19.85	19.03	17.82	17.05	16.54	16.27
T Vermont	18.92	18.87	19.74	19.00	18.25	17.95	16.73	16.37	16.18	15.63
T Verona	20.41	20.32	21.51	21.83	20.94	20.47	19.29	18.82	18.23	19.51
T Vienna	19.30	19.14	20.10	19.67	19.81	19.34	18.00	16.87	16.47	16.64
T Westport	18.47	18.21	19.05	18.77	18.25	17.93	16.74	15.18	15.02	14.62
T Windsor	20.97	21.28	22.26	21.75	21.53	20.73	18.38	17.92	17.64	18.13
T York	19.08	19.30	20.47	19.12	18.49	17.53	16.60	16.00	16.37	16.16
V Belleville	24.08	24.05	24.72	23.91	22.34	20.95	20.45	19.68	20.41	20.06
V Black Earth	24.25	23.28	21.66	22.87	21.21	21.70	20.47	19.80	19.26	19.17
V Blue Mounds	22.14	22.26	23.08	21.96	21.35	20.59	18.92	18.46	18.11	16.58
V Brooklyn	25.63	25.82	26.38	25.12	24.74	23.47	21.83	20.97	21.17	20.83
V Cambridge	25.15	24.70	26.25	26.27	25.11	24.65	22.55	21.73	19.78	19.96
V Cottage Grove	23.12	23.66	23.86	22.71	22.37	21.92	20.72	21.58	20.23	20.94
V Cross Plains	22.79	22.67	23.17	22.83	22.13	22.02	20.30	19.04	19.02	18.82
V Dane	23.96	24.11	24.88	23.04	23.07	22.30	20.75	18.56	18.35	18.88
V Deerfield	23.85	24.67	24.37	24.06	24.01	22.16	20.78	20.80	18.93	19.44
V Deforest	22.70	22.64	23.76	23.50	23.02	22.12	20.29	20.04	20.08	20.50
V Maple Bluff	23.10	23.34	23.36	22.89	22.21	22.10	20.39	19.55	19.78	19.84
V Marshall	25.78	25.61	26.28	23.19	21.46	20.66	19.94	19.70	19.12	17.99
V Mazomanie	23.87	23.30	24.57	22.94	22.04	21.65	20.47	19.80	19.29	18.71
V McFarland	23.14	23.86	24.95	24.84	23.38	22.88	21.38	20.77	20.80	20.61
V Mount Horeb	20.37	21.27	22.06	21.43	21.00	20.12	18.93	18.55	18.59	17.82
V Oregon	22.07	21.80	23.23	22.74	22.15	21.25	19.92	19.06	19.00	18.74
V Rockdale	21.73	21.69	23.36	23.69	22.79	22.32	20.51	19.66	19.35	19.44
V Shorewood Hills	21.67	21.50	22.46	21.86	20.79	20.17	18.74	17.78	18.21	18.20
V Waunakee	22.15	22.09	23.36	23.20	22.66	22.11	20.96	19.36	19.06	18.73
C Edgerton	22.59	22.43	23.84	23.93	22.28	21.56	19.80	17.94	18.65	18.43
C Fitchburg	24.42	24.06	25.07	24.66	23.89	23.01	21.08	20.30	19.95	20.61
C Madison	25.25	25.11	26.04	25.40	24.37	23.53	21.73	20.64	20.72	20.63
C Middleton	22.48	22.32	22.51	21.77	20.78	20.35	19.02	17.57	17.60	17.60
C Monona	23.26	23.71	24.94	23.86	23.63	22.49	21.24	21.12	19.67	19.72
C Stoughton	24.34	24.20	25.17	24.52	22.44	21.17	19.85	18.56	18.43	18.26
C Sun Prairie	25.26	25.51	26.69	26.18	25.47	24.52	22.86	21.91	21.44	21.32
C Verona	22.80	22.91	24.12	24.30	23.51	23.01	21.68	21.34	20.20	21.56

Legend: T - Town, V - Village, C - City

MADISON AREA TECHNICAL COLLEGE DISTRICT

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

	Calendar Year Taxes are Payable									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Dodge County										
T Calamus	18.52	18.65	19.76	20.04	20.16	20.21	18.75	17.66	17.93	18.32
T Clyman	21.05	21.15	22.04	21.43	21.14	21.12	19.99	18.87	19.79	19.85
T Elba	19.82	20.20	21.59	20.85	20.17	19.48	19.01	17.24	17.96	17.86
T Emmet	18.41	18.87	20.30	20.38	19.68	19.00	17.55	16.73	16.84	16.77
T Fox Lake	20.23	19.81	21.22	20.95	20.03	20.02	18.09	17.25	17.54	17.62
T Lebanon	20.01	19.84	21.45	21.30	20.49	19.84	18.62	17.83	18.03	18.01
T Lowell	21.41	21.25	22.57	22.12	19.74	22.22	21.46	19.78	20.56	20.35
T Portland	20.20	20.12	21.28	20.41	20.63	19.43	19.29	17.69	18.16	17.95
T Shields	18.75	19.18	20.56	20.73	20.14	19.48	18.01	17.23	16.71	16.75
T Westford	18.45	17.40	18.27	18.56	18.13	18.28	17.05	16.07	16.34	16.77
V Randolph	33.00	29.01	30.08	30.96	29.28	28.16	26.62	24.77	25.53	26.60
C Watertown	25.40	25.62	26.81	26.63	25.27	24.30	22.17	21.02	20.71	20.55
Green County										
T Adams	20.30	21.14	22.22	22.26	21.97	21.60	20.54	20.06	19.25	19.27
T Brooklyn	23.92	23.90	23.24	22.59	22.12	21.35	20.22	18.85	18.52	18.07
T Exeter	20.58	20.82	21.83	21.16	20.35	19.19	18.43	17.70	17.63	16.97
T New Glarus	23.70	23.54	24.55	23.97	23.98	23.02	21.63	20.39	20.38	20.02
T Washington	21.53	22.29	23.72	23.08	22.41	22.19	21.19	19.29	17.51	17.32
T York	21.27	21.95	23.14	22.70	22.71	22.37	21.45	19.95	19.11	18.52
V Belleville	26.44	26.51	27.28	26.51	25.00	23.60	23.17	22.11	21.48	20.96
V Brooklyn	27.98	28.30	28.97	27.77	27.47	26.14	24.56	23.42	23.33	22.80
V New Glarus	27.92	28.31	29.34	28.60	28.66	27.19	25.47	24.01	23.90	23.10

MADISON AREA TECHNICAL COLLEGE DISTRICT

DIRECT AND OVERLAPPING ⁽²⁾ PROPERTY TAX RATES

Last Ten Years

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

	Calendar Year Taxes are Payable									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Iowa County										
T Arena	19.46	19.90	20.75	20.10	19.48	19.21	18.19	16.64	16.60	16.84
T Clyde	21.07	21.38	22.44	21.73	21.29	21.61	19.51	17.83	17.85	18.31
T Dodgeville	20.05	20.67	22.84	21.97	21.59	21.53	20.51	18.78	19.18	19.45
T Moscow	23.04	24.37	25.25	24.49	24.50	24.87	23.88	22.09	21.36	20.90
T Ridgeway	22.54	23.21	25.45	24.94	24.34	24.18	24.00	22.34	22.69	22.97
T Wyoming	19.58	20.19	22.24	20.73	20.38	20.17	19.14	17.48	17.40	17.54
V Arena	28.08	27.59	28.42	27.01	25.88	26.98	25.77	24.72	23.73	23.55
Jefferson County										
T Aztalan	19.72	20.04	20.25	20.14	19.22	18.39	16.78	15.88	15.08	15.60
T Cold Spring	18.82	19.23	19.87	19.27	18.48	18.26	16.70	15.64	15.46	15.14
T Concord	17.88	18.11	18.99	19.24	18.03	17.45	16.07	15.09	14.84	14.78
T Farmington	17.81	17.87	17.35	17.29	16.63	15.85	14.66	14.23	13.95	13.98
T Hebron	19.73	20.02	21.12	20.76	18.71	17.97	16.34	15.48	15.51	15.55
T Ixonia	17.90	18.04	19.30	19.58	18.23	17.79	16.67	15.38	15.01	14.89
T Jefferson	19.47	19.45	20.26	20.02	19.60	17.68	15.82	14.75	14.43	14.70
T Koshkonong	17.84	17.90	19.19	18.82	18.13	17.60	16.14	15.25	15.48	15.26
T Lake Mills	17.94	17.82	19.04	18.96	17.34	17.20	15.90	15.48	13.52	14.11
T Milford	18.40	18.01	18.98	18.48	17.09	16.75	15.50	15.05	13.51	13.98
T Oakland	20.58	20.62	22.14	22.39	21.39	20.94	19.32	18.28	18.05	18.10
T Palmyra	18.76	19.25	19.67	19.09	18.69	17.81	16.70	15.60	15.29	15.67
T Sullivan	19.48	19.93	20.64	20.40	19.78	18.68	17.22	16.10	15.65	15.93
T Sumner	18.83	18.72	19.86	19.87	18.89	18.37	16.89	15.64	16.16	15.92
T Waterloo	19.07	19.25	20.10	19.37	18.90	18.01	17.38	16.19	15.66	15.60
T Watertown	16.21	16.55	17.50	17.52	16.74	16.18	14.70	13.91	13.83	13.69
V Cambridge	26.61	26.06	27.57	27.66	26.36	25.99	23.07	22.69	21.06	21.52
V Johnson Creek	24.72	24.50	22.98	22.72	21.04	20.33	19.41	18.95	18.85	19.02
V Sullivan	23.33	23.95	24.89	24.18	23.67	22.22	19.05	17.99	17.41	17.93
C Fort Atkinson	24.75	24.50	26.04	25.25	24.41	23.93	21.93	20.81	21.01	20.88
C Jefferson	25.44	26.03	26.51	25.72	24.62	22.98	20.65	19.64	18.94	19.71
C Lake Mills	24.12	23.68	25.37	24.92	23.04	22.73	21.28	20.96	18.65	19.36
C Waterloo	26.21	26.78	28.05	26.07	26.29	24.49	24.27	22.28	22.16	21.72
C Watertown	24.28	24.57	25.61	25.34	23.92	23.00	20.84	19.73	19.35	19.11
C Whitewater	22.50	23.01	23.31	22.64	21.68	21.50	19.78	18.72	18.49	18.23

MADISON AREA TECHNICAL COLLEGE DISTRICT

DIRECT AND OVERLAPPING ⁽²⁾ PROPERTY TAX RATES

Last Ten Years

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

	Calendar Year Taxes are Payable									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Juneau County										
T Lindina	21.94	22.23	24.23	22.89	22.78	22.13	21.00	19.49	18.65	18.09
T Lyndon	19.11	19.57	20.62	19.71	19.24	18.60	17.01	16.00	15.85	16.32
T Seven Mile Creek	25.60	26.14	27.90	26.39	26.17	25.33	24.07	22.52	22.05	22.39
T Summit	25.45	26.65	27.71	26.22	26.45	24.92	23.38	22.70	22.12	22.28
T Wonewoc	24.74	25.06	26.96	24.59	24.02	23.86	21.34	21.18	21.28	22.20
V Union Center	26.15	27.40	28.28	25.47	25.21	24.11	22.06	21.18	21.13	21.71
V Wonewoc	28.65	29.64	31.19	28.82	28.93	26.80	24.42	23.73	23.59	23.62
C Wisconsin Dells	25.04	26.27	26.70	25.60	25.34	24.70	22.14	20.89	21.03	21.07
Marquette County										
T Buffalo	19.11	18.58	19.67	18.65	17.55	17.17	17.45	16.49	15.91	15.43
T Crystal Lake	19.21	19.11	20.25	19.22	18.14	18.40	16.55	15.56	15.98	15.63
T Douglas	19.62	19.61	20.35	19.65	18.73	18.22	16.73	16.34	16.45	16.54
T Harris	20.48	20.16	20.56	19.47	18.40	18.74	16.90	15.86	16.25	16.01
T Mecan	19.39	18.61	19.67	18.71	17.61	17.20	17.36	16.49	15.91	15.49
T Montello	19.09	18.58	19.59	18.57	17.59	17.21	17.40	16.44	15.87	15.30
T Moundville	20.55	20.11	20.78	20.89	20.00	19.11	18.23	17.67	17.49	17.86
T Neshkoro	19.60	19.12	20.30	19.24	18.11	18.23	16.63	15.75	16.01	15.70
T Newton	20.24	20.05	21.23	19.97	18.89	19.22	17.37	16.51	16.79	16.15
T Oxford	20.21	19.69	20.80	19.33	18.18	18.46	16.66	15.67	15.92	15.62
T Packwaukee	19.72	19.07	20.30	19.06	18.02	17.72	17.72	16.81	16.33	15.98
T Shields	19.56	19.01	20.04	18.98	17.93	17.52	17.79	16.79	16.19	15.79
T Springfield	19.18	18.98	20.14	19.09	18.00	18.32	16.50	15.56	15.91	15.56
T Westfield	19.18	18.94	19.85	18.77	17.74	18.06	16.28	15.28	15.61	15.33
V Endeavor	26.73	26.10	26.41	26.16	25.02	24.14	22.90	22.02	22.19	22.70
V Neshkoro	24.14	24.01	24.99	24.01	22.75	22.98	21.01	20.16	20.60	20.56
V Oxford	24.81	24.53	25.83	24.25	23.03	23.52	21.87	20.42	20.27	20.11
V Westfield	27.17	27.00	28.12	26.79	25.52	25.39	23.82	22.30	22.94	22.15
C Montello	28.27	26.84	26.53	25.85	24.32	23.16	23.24	21.61	20.67	19.81
Richland County										
T Buena Vista	19.08	19.28	19.96	19.77	18.99	19.34	19.47	18.27	18.10	19.22
T Ithaca	23.82	23.31	25.03	25.31	25.50	25.19	24.38	22.90	22.43	23.87
T Westford	24.90	23.82	25.11	25.31	23.18	24.46	23.15	22.53	20.38	21.06
V Lone Rock	22.25	22.84	23.99	23.01	22.11	21.76	21.12	19.37	19.14	20.11

Legend: T - Town, V - Village, C - City

MADISON AREA TECHNICAL COLLEGE DISTRICT

DIRECT AND OVERLAPPING ⁽²⁾ PROPERTY TAX RATES

Last Ten Years

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

	Calendar Year Taxes are Payable									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Rock County										
T Porter	21.75	21.75	22.28	22.02	20.88	20.31	18.98	17.87	17.90	17.95
T Union	24.04	24.32	23.85	22.83	21.85	21.22	19.83	19.16	18.30	18.57
Sauk County										
T Baraboo	17.27	17.68	18.14	17.77	17.05	17.10	16.68	15.30	15.12	14.91
T Bear Creek	21.74	22.25	22.84	22.61	21.85	21.52	20.76	19.42	19.03	19.59
T Dellona	15.43	16.41	17.08	16.07	15.59	15.17	14.04	13.50	13.12	13.37
T Delton	16.32	16.84	16.59	16.25	15.65	15.61	14.97	13.93	13.72	13.57
T Excelsior	17.45	18.36	19.28	18.70	18.06	17.38	16.55	15.47	15.33	15.46
T Fairfield	16.93	17.26	17.67	17.37	16.69	16.76	16.29	14.95	14.82	14.50
T Franklin	20.87	21.60	21.49	20.98	20.26	19.82	18.99	17.43	16.86	17.20
T Freedom	21.03	21.65	22.45	21.93	21.26	20.34	19.50	17.89	17.66	17.47
T Greenfield	17.34	17.58	17.98	17.68	17.01	17.12	16.64	15.34	15.17	14.99
T Honey Creek	20.30	21.16	21.42	21.01	20.43	20.12	18.95	17.08	17.03	16.97
T Ironton	21.57	21.90	22.84	22.51	21.45	21.71	20.27	19.58	18.55	20.07
T La Valle	18.42	19.31	20.36	19.37	18.95	18.07	17.29	16.30	15.61	15.90
T Merrimac	17.11	17.45	17.76	17.32	16.83	16.71	15.82	14.33	14.22	14.03
T Prairie Du Sac	17.51	17.91	18.22	17.85	17.36	17.21	16.27	14.73	14.60	14.39
T Reedsburg	17.04	17.97	19.04	18.34	17.72	17.01	16.26	14.93	14.68	14.91
T Spring Green	19.65	19.74	20.89	19.47	18.70	18.46	17.45	16.03	15.12	15.60
T Sumpter	19.15	19.84	19.97	18.88	18.28	17.52	16.56	14.71	15.07	14.89
T Troy	20.11	20.67	21.03	20.53	20.02	19.92	18.54	16.99	16.16	16.32
T Washington	24.02	23.15	23.98	24.26	22.45	23.02	21.88	21.28	19.07	19.03
T Westfield	19.79	21.14	22.31	21.69	21.04	20.09	19.22	17.98	17.85	18.06
T Winfield	17.23	18.11	19.25	18.53	17.95	17.16	16.42	15.25	15.00	15.25
T Woodland	20.48	21.86	22.92	20.79	20.85	19.97	18.47	17.95	17.47	17.80
V Ironton	21.98	22.94	23.54	22.86	22.25	22.13	20.75	19.42	19.67	19.74
V Lake Delton	16.07	17.10	17.59	17.11	16.67	16.27	14.89	14.52	14.17	14.33
V La Valle	23.15	23.44	24.63	23.95	23.36	22.34	20.95	19.32	19.23	19.42
V Loganville	25.30	26.10	26.58	25.41	24.75	23.74	22.50	21.37	21.31	21.54
V Merrimac	19.54	20.27	20.45	20.12	19.56	19.72	19.17	18.20	17.76	18.20
V North Freedom	20.80	21.12	20.37	19.98	18.97	19.00	18.23	16.73	16.31	15.89
V Plain	25.63	25.80	26.11	25.84	24.28	23.09	22.42	20.67	20.21	20.44
V Prairie Du Sac	23.46	23.21	23.45	22.92	22.38	22.01	20.63	18.83	18.08	17.86
V Rock Springs	23.66	24.50	23.48	22.91	22.12	21.31	20.05	18.26	18.23	18.57

Legend: T - Town, V - Village, C - City

MADISON AREA TECHNICAL COLLEGE DISTRICT

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

	Calendar Year Taxes are Payable									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
V Sauk City	22.29	23.13	23.38	22.89	22.25	22.05	20.93	19.21	19.07	18.97
V Spring Green	23.43	24.59	25.21	24.06	23.38	23.00	21.59	20.08	19.90	20.33
V West Baraboo	24.64	24.90	24.92	24.41	23.45	23.04	22.90	21.56	21.13	20.52
C Baraboo	25.21	25.51	25.81	25.21	23.79	23.69	23.11	21.29	21.38	20.94
C Reedsburg	25.95	27.20	27.84	26.24	24.56	23.45	22.00	20.68	20.55	21.07
C Wisconsin Dells	22.97	24.37	24.72	23.81	23.50	23.21	20.92	19.99	19.77	19.73

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

Notes:

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

MADISON AREA TECHNICAL COLLEGE DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 78,718,990	\$ 55,796,311	70.88	\$ 22,922,679	\$ 78,718,990	100.00
2008	82,637,000	57,932,629	70.10	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

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	Year Ended December 31, 2015			Year Ended December 31, 2006		
		2015 Equalized Valuation	Rank	Percent of MATC Total Equalized Valuation	2006 Equalized Valuation	Rank	Percent of MATC Total Equalized Valuation
Epic Systems Corporation	Medical Software	\$ 789,292,014	1	1.10 %	\$ 116,992,600	3	0.18 %
Madison Joint Venture	Shopping Centers	184,919,566	2	0.26	182,399,500	1	0.28
American Family Insurance	Insurance	147,591,637	3	0.21	157,914,200	2	0.24
University Research Park	Research & Technology Park	127,805,886	4	0.18	61,589,700	6	0.09
Greenway Office Center, LLC	Property Management	121,706,872	5	0.17	91,792,900	4	0.14
Promega Corporation	Biotechnology	104,429,740	6	0.15			
Covance Laboratories, Inc.	Research	82,174,497	7	0.11	67,714,000	5	0.10
777 University Ave LLC	Property Management	56,250,903	8	0.08			
CMFG Life Insurance Co	Insurance	54,307,176	9	0.08			
Pickney Investment Group LLC	Property Development	45,548,787	10	0.06			
Greenway Center LLC	Property Development				51,298,600	7	0.08
University Research Park Inc	Property Development				46,666,800	8	0.07
General Casualty Insurance	Property Development				40,423,800	9	0.06
Wingra Building Group	Property Development				40,100,900	10	0.06
	Totals	<u>\$ 1,714,027,078</u>		<u>2.40 %</u>	<u>\$ 856,893,000</u>		<u>1.30 %</u>
	MATC Total Equalized Valuation	<u>\$ 71,909,431,559</u>			<u>\$ 64,936,165,589</u>		

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

MADISON AREA TECHNICAL COLLEGE DISTRICT

ENROLLMENT STATISTICS
Last Ten Fiscal Years

Student Enrollment (a)							
Year	Aidable					Non-Aidable	Grand Total
	College Transfer	Associate Degree	Technical Diploma	Vocational Adult	Non-Post Secondary	Community Service	
2007	7,296	10,818	5,746	17,560	6,141	3,104	44,300
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

Full-time Equivalents (b)								
Year	Aidable					Non-Aidable		Total
	College Transfer	Associate Degree	Technical Diploma	Vocational Adult	Non-Post Secondary	Total Aidable	Community Service	
2007	2,957	4,452	1,082	348	440	9,279	71	9,350
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	5,199	1,071	270	541	10,764	48	10,812
2011	3,844	5,329	1,042	216	551	10,982	68	11,050
2012	3,806	5,083	939	226	535	10,589	83	10,672
2013	3,794	4,872	930	205	555	10,356	89	10,445
2014	3,690	4,660	893	197	554	9,994	88	10,081
2015	3,616	4,614	869	206	561	9,866	86	9,952
2016	3,586	4,804	837	217	508	9,951	81	10,033

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*
2006-07	117.90	326.85	87.00	536.30	123.44	92.58
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

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 \$10.62 per credit for the Fall 2015 and Spring 2016 semesters. For Regional Campuses, the fee is \$3.25 per credit.

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 \$1.26 per credit fee is charged for degree credit classes only. Fees provide expanded service hours, personnel and self-service and online resources that support academic success at all campuses.

Online Course Fee

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

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

Notes:

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

MADISON AREA TECHNICAL COLLEGE DISTRICT

RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	District Population ⁽¹⁾	Equalized Valuation - TID In	General Obligation Notes and Bonds	Premiums on Notes and Bonds	Capital Lease	Net Total Debt ⁽²⁾		
						Amount	Percent of Equalized Valuation	Per Capita
2007	718,495	\$ 67,472,548,889	\$ 21,450,000	\$ -	\$ 104,296	\$ 21,554,296	0.03	30
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	37,550,000	-	82,587	37,632,587	0.05	52
2011	732,341	72,854,834,126	104,245,000	2,098,026	76,146	106,419,172	0.15	145
2012	741,012	71,917,515,430	161,525,000	6,245,715	70,067	167,840,782	0.23	227
2013	740,541	70,547,400,399	173,800,000	7,415,935	64,329	181,280,264	0.26	245
2014	744,676	70,405,217,759	167,705,000	7,584,224	58,912	175,348,136	0.25	235
2015	749,725	72,677,959,625	174,145,000	8,122,006	53,799	182,320,805	0.25	243
2016	756,312	75,522,264,359	174,310,000	8,386,753	48,973	182,745,726	0.24	242

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, 2015

Name of Entity ⁽¹⁾	Net Debt Outstanding	Percent Applicable to District ⁽²⁾	Outstanding Debt Applicable to District
Adams County	\$ 8,385,000	17.45%	\$ 1,463,094
Columbia County	42,750,000	99.90%	42,707,300
Dane County	290,275,000	99.98%	290,220,785
Dodge County	33,130,000	18.02%	5,971,333
Green County	9,795,000	23.47%	2,299,250
Iowa County	2,508,577	15.66%	392,830
Jefferson County	15,645,000	87.92%	13,755,506
Juneau County	12,175,930	9.43%	1,148,687
Marquette County	11,424,702	97.93%	11,188,105
Richland County	25,310,000	7.21%	1,824,517
Rock County	42,370,000	0.20%	85,398
Sauk County	18,415,000	98.57%	18,151,106
Total Cities	768,569,347	Varies	689,935,436
Total Villages	200,643,364	Varies	190,002,962
Total Towns	23,985,934	Varies	23,985,934
Total School Districts	897,622,522	Varies	897,622,522
Madison Metropolitan Sewerage District	114,142,085	100.00%	<u>114,142,085</u>
Subtotal, overlapping debt			2,304,896,850
District Direct Debt			
General Obligation Notes			67,220,000
General Obligation Bonds			107,090,000
Premiums on Notes and Bonds			8,386,753
Capital Lease			<u>48,973</u>
Subtotal, District direct debt			<u>182,745,726</u>
Total direct and overlapping debt			<u>\$ 2,487,642,576</u>

Statistical Summary

2016 Equalized Valuation - TID In	<u>\$ 75,522,264,359</u>
Direct District Indebtedness	182,745,726
Overlapping and Underlying Bonded Indebtedness	<u>2,304,896,850</u>
Total Direct, Overlapping and Underlying Indebtedness	<u>\$ 2,487,642,576</u>
Direct, Overlapping and Underlying Indebtedness as a Percentage of Equalized Valuation	3.29%
Population of District	756,312
Direct, Overlapping and Underlying Indebtedness - Per Capita	<u>\$ 3,289.18</u>

Source: PMA, Inc

Notes:

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

MADISON AREA TECHNICAL COLLEGE DISTRICT

LEGAL DEBT MARGIN INFORMATION

Legal Debt Margin Calculation for Fiscal Year 2015	<u>5% Debt Limit</u>	<u>2% Debt Limit</u>
2015 Equalized Valuation - TID In	\$75,522,264,359	\$75,522,264,359
	<u> x 5%</u>	<u> x 2%</u>
Total debt limit - 5% of equalized valuation	3,776,113,218	1,510,445,287
Debt applicable to limit:		
General obligation notes	67,220,000	67,220,000
General obligation bonds	107,090,000	107,090,000
Less: debt service funds available (GAAP Basis)	<u>(2,119,451)</u>	<u>(2,119,451)</u>
Total amount of debt applicable to debt limit	<u>172,190,549</u>	<u>172,190,549</u>
Legal total debt margin	<u><u>\$ 3,603,922,669</u></u>	<u><u>\$ 1,338,254,738</u></u>

Legal Debt Margin, Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total net debt applicable to the limit</u>	<u>Legal debt margin</u>	<u>Total net debt applicable to the limit as a percentage of debt limit</u>
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

* The Wisconsin State Statutes Chapter 67.03(1) provides that the aggregate amount of indebtedness of a District shall not exceed 5% of the value of the taxable property located in the District. The maximum bonded indebtedness of the District for purchasing and constructing buildings and equipment may not exceed 2% of the value of the taxable property within the District.

MADISON AREA TECHNICAL COLLEGE DISTRICT

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

Year	District Population ⁽³⁾	County Population ⁽²⁾			Personal Income ⁽⁵⁾	Per Capita Personal Income ⁽⁴⁾			Unemployment Rate ⁽⁶⁾		
		Dane	Jefferson	Sauk		Dane	Jefferson	Sauk	Dane	Jefferson	Sauk
2007	718,495	468,514	80,411	60,673	\$25,892,663	\$ 44,610	\$ 33,194	\$ 35,134	4.1	5.0	4.8
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	51,341	37,950	40,524	4.9	7.0	5.8
2014	744,676	502,251	83,974	62,092	32,515,843	51,523	39,495	40,745	4.1	6.1	4.9
2015	749,725	508,384	84,255	62,207	(7)	(7)	(7)	(7)	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

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. 2016 Unemployment rates are for August 2015.
- (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	2016 ⁽¹⁾			2007 ⁽²⁾		
			Number of Employees	Rank	Percent of District Population	Number of Employees	Rank	Percent of District Population
University of Wisconsin-Madison ⁽³⁾	Dane	University/College	21,608	1	2.86 %	29,619	1	4.12 %
State of Wisconsin ⁽⁴⁾	Dane	State Government	16,450	2	2.18	18,357	3	2.55
EPIC Systems	Dane	Software Services	7,400	3	0.98			
UW Hospital and Clinics	Dane	Healthcare	6,000	4	0.79	6,899	4	0.96
Oscar Mayer Foods, (Kraft Foods) ⁽⁵⁾	Dane	Food Packaging Company	5,000	5	0.66			
Madison Area Technical College District ⁽³⁾	Dane	Education	3,990	6	0.53	3,997	6	0.56
City of Madison	Dane	Government	3,639	7	0.48			
Madison Metropolitan School District ⁽⁶⁾	Dane	Education	3,592	8	0.47	4,413	5	0.61
American Family Insurance	Dane	Insurance	2,000	9	0.26	3,780		0.53
WPS Health Insurance ⁽⁷⁾	Dane	Health Benefits/Insurance	2,000	10	0.26	3,713	8	0.52
Meriter Health Services	Dane	Hospital/healthcare				3,470	9	0.48
United States Government	Dane	Federal Government				29,028	2	4.04
Dean Health Systems	Dane	Healthcare, clinics, insurance				3,030	10	0.42
			<u>Total</u>		<u>9.48 %</u>	<u>106,306</u>		<u>14.80 %</u>

Notes:

(1) Source: Madison Metropolitan School District, Tax and Revenue Anticipation Promissory Note, dated 9/26/16

(2) Source: PMA, Inc. via Madison Area Technical College General Obligation Promissory Notes, Series 2007A

(3) Includes full-time and part-time

(4) Includes all State employees in Dane County

(5) Kraft Heinz Co. announced this plant will close in 2017

(6) For 2016, full-time equivalent as of August 12, 2016

(7) Number of employees statewide

MADISON AREA TECHNICAL COLLEGE DISTRICT

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

	Full Time Employees as of June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District Total:										
Administrative	86	81	98	101	102	105	93	86	76	54
Faculty Instructors	473	474	440	450	446	448	451	439	434	372
Professional Non-faculty	18	16	3	4	11	11	7	8	7	6
Clerical/Secretarial	130	131	116	117	127	135	141	139	137	135
Technicians/Para-professional	216	194	218	209	205	184	180	174	169	141
Service/Maintenance	59	57	54	60	67	73	61	59	59	56
	<u>982</u>	<u>953</u>	<u>929</u>	<u>941</u>	<u>958</u>	<u>956</u>	<u>933</u>	<u>905</u>	<u>882</u>	<u>764</u>

Source: Equal Opportunity/Affirmative Action Program data

MADISON AREA TECHNICAL COLLEGE DISTRICT

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

Year	Operational Expenditures ⁽³⁾ (General and Special Revenue-Aidable Funds)		Student Enrollments		MATC Operational Expenditures per Student		Statewide Operational Costs per Student	
	Amount (in thousands)	Percent Increase/ (Decrease)	Full-Time Equivalent Students	Percent Increase/ (Decrease)	Per FTE Students	Increase/ (Decrease)	Per FTE Students	Rank (1)
2007	\$ 114,953	5.7	9,350	5.2	\$ 12,294	0.5	\$ 12,267	4
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)	(2)	(2)

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

(2) Not yet available.

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

MADISON AREA TECHNICAL COLLEGE DISTRICT

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

<u>Year</u>	<u>Number of Graduates</u>	<u>Total Number Available for Employment</u>	<u>Percent Employed</u>	<u>Percent Employed in Related Occupations</u>	<u>Percent Employed in District</u>	<u>Average Monthly Salary</u>	<u>Graduates Satisfied or Very Satisfied w/Training</u>
2006	3,102	1,840	93	70	82	\$ 2,505	97
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	1,850	88	68	80	2,746	97
2013	3,640	1,779	89	64	74	2,827	97
2014	3,177	1,511	92	71	76	2,944	98
2015	3,231	1,665	92	74	71	3,229	98

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
MC-Madison										
District Administration	14,265	14,265	14,265	18,506	18,506	18,506	18,506	18,506	18,506	18,506
Truax Airpark Campus	-	-	-	-	852,320	852,320	852,320	851,920	851,920	851,920
Main Building	851,920	851,920	851,920	851,920	-	-	-	-	-	-
Gateway	93,465	93,465	93,465	93,465	-	-	-	-	-	-
Ingenuity Center	63,784	63,784	63,784	63,784	-	-	-	-	-	-
Health Education Building	176,933	176,933	176,933	176,933	-	-	-	-	-	-
Protective Services Building	81,410	81,410	81,410	81,410	-	-	-	-	-	-
Animal Holding	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										
Technical Building-A	72,838	72,838	72,838	72,838	72,838	72,838	72,838	72,838	72,838	72,838
Automotive 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	14,056
MC-North Property										
North Court	118,000	118,000	118,000	119,559	119,559	119,559	-	-	-	-
Penske Building	19,163	19,163	19,163	19,163	19,160	19,160	-	-	-	-
Sub-Total	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	1,198,718
MC-Fort Atkinson Campus	36,840	36,840	36,840	36,840	28,840	28,840	28,840	28,840	28,840	19,290
MC-Portage Campus	17,982	17,982	17,982	17,982	15,655	15,655	15,655	15,655	15,655	15,655
MC-Reedsburg Campus	29,559	29,559	29,559	29,559	19,782	19,782	19,782	19,782	19,782	19,782
MC-Watertown Campus	37,441	37,441	37,441	37,441	24,441	24,441	24,441	24,441	24,441	24,441
Sub-Total	121,822	121,822	121,822	121,822	88,718	88,718	88,718	88,718	88,718	79,168
Other (Leased)										
Community Development Authority	-	-	-	-	-	-	4,850	4,850	4,850	-
Foundation Centre, 3591 Anderson Street	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	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	2,500	2,500	2,500	2,500	-	-	-	-
Portage Enterprise Center Suite A Addition	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	11,552	8,614	8,614	8,614	3,000	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	-	-	-	-	-	-	-	-	-
TEC Center	-	-	-	-	-	-	-	-	-	3,000
Village of Plain, 510 Green Blvd	-	1,490	1,490	1,490	-	-	-	-	-	-
Sub-Total	68,295	158,699	169,514	169,514	133,258	129,838	131,788	88,415	24,795	18,380
Total Square Footage	1,928,870	2,019,274	2,044,354	2,050,154	1,559,813	1,556,393	1,419,624	1,375,851	1,312,231	1,296,266

Source: Madison College Office of Facility Services Director.

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

MADISON AREA TECHNICAL COLLEGE DISTRICT
LEGAL DESCRIPTION

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

Madison Area Technical College - Madison

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

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

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

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

South Madison Education Center, 2238 South Park Street
Madison, 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.

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2016

Assistance program	Federal catalog number	Grant number	Grant dates	Federal grant amount	Revenues			Passed Through to Sub-Recipients
					Federal	Match	Total Expenditures	
Department of Agriculture								
Child & Adult Care Food Program	10.558							
WI Department of Public Instruction								
Meal Reimbursement Child & Family Center		N/A	07/01/15 - 06/30/16	1,898	1,898	-	1,898	-
Total Department of Agriculture				\$ 1,898	\$ 1,898	\$ -	\$ 1,898	\$ -
Bureau of Indian Affairs								
Indian Education-Higher Education Grant Program	15.114	N/A	07/01/15 - 06/30/16	139,135	139,135	-	139,135	-
Total Bureau of Indian Affairs				\$ 139,135	\$ 139,135	\$ -	\$ 139,135	\$ -
Department of Labor								
Workforce Investment Act Cluster								
Workforce Investment Act Title 1 - Adult								
Workforce Development Board of South Central Wisconsin	17.258							
One Stop/Worksmart Network		15-593-2016	07/01/15 - 06/30/16	180,527	163,759	-	163,759	-
Career Pathways		15-6200-2016	07/01/15 - 06/30/16	233,574	219,493	-	219,493	-
				<u>414,101</u>	<u>383,252</u>	<u>-</u>	<u>383,252</u>	<u>-</u>
Workforce Investment Act Title 1 - Youth								
Workforce Development Board of South Central Wisconsin	17.259							
One Stop/Worksmart Network - Youth Training Navigator		15-593-2016-OSY	07/01/15 - 06/30/16	84,005	65,596	-	65,596	-
Career Pathways		15-6200-2016	07/01/15 - 06/30/16	12,420	10,578	-	10,578	-
Middle College		15-590-11-2016	07/01/15 - 06/30/16	170,281	160,066	-	160,066	-
Middle College		15-590-11-2016-2	07/01/15 - 06/30/16	165,354	153,789	-	153,789	-
Gateway to College		15-300-2016-OSY	07/01/15 - 06/30/16	140,000	59,500	53,849	113,349	-
				<u>572,060</u>	<u>449,529</u>	<u>53,849</u>	<u>503,378</u>	<u>-</u>
Workforce Investment Act Title 1 - Dislocated Worker								
Workforce Development Board of South Central Wisconsin	17.278							
One Stop/Worksmart Network		15-593-2016	07/01/15 - 06/30/16	88,917	80,657	-	80,657	-
Career Pathways		15-6200-2016	07/01/15 - 06/30/16	38,024	34,378	-	34,378	-
				<u>126,941</u>	<u>115,036</u>	<u>-</u>	<u>115,036</u>	<u>-</u>
Total Workforce Investment Act Cluster				\$ 1,113,102	\$ 947,817	\$ 53,849	\$ 1,001,666	\$ -

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2016

Assistance program	Federal catalog number	Grant number	Grant dates	Federal grant amount	Revenues			Passed Through to Sub-Recipients
					Federal	Match	Total Expenditures	
<u>Department of Labor (continued)</u>								
Employment and Training Administration	17.282							
Trade Adjustment Assistance Community College and Career (TAACCCT)								
Making the Future: Advanced Manufacturing Consortium for Bioscience Credentials		TC-23775-12-60-A-55	10/01/12 - 09/30/16	1,195,771	265,893	-	265,893	-
INTERFACE Project		TC-23761-12-60-A-37	10/01/12 - 09/30/16	418,284	119,795	-	119,795	-
ACT For Healthcare		TC-25119-13-60-A-55	10/01/13 - 09/30/17	1,895,538	721,404	-	721,404	-
		TC-26455-14-60-A-55	10/01/14 - 09/30/18	1,423,198	498,754	-	498,754	-
				4,932,791	1,605,846	-	1,605,846	-
Total Department of Labor				\$ 6,045,893	\$ 2,553,663	\$ 53,849	\$ 2,607,512	\$ -
<u>National Science Foundation</u>								
Education and Human Resources	47.076							
Fusion Science Theater		DRL-1114568	09/01/11 - 08/31/15	499,993	-	-	-	-
Bio-Link: National Technology Education Center for Biotechnology		DUE-1400721	09/01/14 - 08/31/17	366,000	69,076	-	69,076	-
Advanced Technology Education								
Scaling Implementation of Stem Cell Tech Ed		DUE-1501553	09/01/15 - 08/31/18	660,980	121,772	-	121,772	35,866
Career Education in Renewable Energy Technology		DUE-1205015	09/01/12 - 08/31/17	166,475	166,475	-	166,475	13,120
Wisconsin Alliance for Minority Participation (WiscAMP)								
Peer Mentors and Professional Prep for STEM Careers		HRD-1400815	09/01/14 - 08/31/19	105,250	23,507	-	23,507	-
Total National Science Foundation				\$ 1,798,698	\$ 380,829	-	\$ 380,829	\$ 48,986
<u>Department of Veteran Affairs</u>								
Post - 9/11 Veterans Educational Assistance	64.028	N/A	07/01/15 - 06/30/16	970,119	970,119	-	970,119	-
Total Department of Veteran Affairs				\$ 970,119	\$ 970,119	-	\$ 970,119	\$ -
<u>Department of Education</u>								
Adult Education-Basic Grants to States	84.002							
Wisconsin Technical College System								
ABE Comprehensive		04-290-146-126	07/01/15 - 06/30/16	707,242	357,442	551,669	909,111	-
Project for Institutionalized Adults		04-291-146-116	07/01/15 - 06/30/16	57,236	42,927	80,578	123,505	-
Civic Literacy for the Limited English Proficient Learner		04-292-146-166	07/01/15 - 06/30/16	14,612	14,612	-	14,612	-
				779,090	414,981	632,247	1,047,228	-

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2016

Assistance program	Federal catalog number	Grant number	Grant dates	Federal grant amount	Revenues			Passed Through to Sub-Recipients
					Federal	Match	Total Expenditures	
Department of Education (continued)								
Gateway-Northport Packer Apartment Corporation		59-007-149-159	07/01/15 - 06/30/16	42,153	42,153	-	42,153	-
Total Adult Education-Basic Grants to States				\$ 821,243	\$ 457,134	\$ 632,247	\$ 1,089,381	\$ -
Student Financial Assistance Cluster								
Federal Supplemental Educational Opportunity Grants	84.007							
Grants	N/A		07/01/15 - 06/30/16	413,212	309,909	103,303	413,212	-
Administrative Fee			07/01/15 - 06/30/16	20,272	20,272	-	20,272	-
				433,483	330,180	103,303	433,483	-
Federal Direct Student Loans	84.268							
Federal Direct Loans	N/A		07/01/15 - 06/30/16	29,318,012	29,318,012	-	29,318,012	-
Loans - Prior Year	N/A		07/01/14 - 06/30/15	238,916	238,916	-	238,916	-
Federal Direct PLUS Loans	N/A		07/01/15 - 06/30/16	138,577	138,577	-	138,577	-
Plus Loans - Prior Year	N/A		07/01/14 - 06/30/15	4,540	4,540	-	4,540	-
				29,700,045	29,700,045	-	29,700,045	-
Federal Work-Study Program	84.033							
Federal Work Study	N/A		07/01/15 - 06/30/16	289,982	218,885	71,097	289,982	-
FWS - Prior Year	N/A		07/01/14 - 06/30/15	-	-	-	-	-
Administrative Fee			07/01/15 - 06/30/16	14,499	14,499	-	14,499	-
				304,481	233,384	71,097	304,481	-
Federal Pell Grant Program	84.063							
Grants	N/A		07/01/15 - 06/30/16	14,446,429	14,446,429	-	14,446,429	-
Grants - Prior Year	N/A		07/01/14 - 06/30/15	121,705	121,705	-	121,705	-
Administrative Fee	N/A		07/01/14 - 06/30/15	26,280	1,110	-	1,110	-
				14,594,414	14,569,244	-	14,569,244	-
Total Student Financial Assistance Cluster				\$ 45,032,424	\$ 44,832,854	\$ 174,400	\$ 45,007,254	-
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	84.334S	P334AS110033	07/01/15 - 06/30/16	52,592	52,592	-	52,592	-
				52,592	52,592	-	52,592	-
DVR Training Grant Student Awards	84.126	N/A	07/01/15 - 06/30/16	230,287	230,287	-	230,287	-
				230,287	230,287	-	230,287	-
TRIO - Student Support Services	84.042A	P042A101136	09/01/10 - 08/31/15	1,061,551	40,068	17,041	57,109	-
		P042A151694	09/01/15 - 08/31/20	1,100,000	185,565	89,216	274,781	-

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2016

Assistance program	Federal catalog number	Grant number	Grant dates	Federal grant amount	Revenues			Passed Through to Sub-Recipients
					Federal	Match	Total Expenditures	
Total TRIO - Student Support Services				\$ 2,161,551	\$ 225,633	\$ 106,256	\$ 331,890	-
Department of Education (continued)								
Career and Technical Education - Basic Grants to States	84.048							
Wisconsin Technical College System								
Achieving Student Success		04-190-150-236	07/01/15 - 06/30/16	571,998	555,998	501,033	1,057,031	25,526
Strengthening Career & Tech Ed Programs		04-191-150-256	07/01/15 - 06/30/16	194,862	126,383	-	126,383	-
Tools for Tomorrow: Women in Trades		04-192-150-266	07/01/15 - 06/30/16	108,810	92,207	-	92,207	-
Career Prep		04-193-150-216	07/01/15 - 06/30/16	58,957	58,911	-	58,911	-
Supporting Veteran Student Success		04-195-150-276	07/01/15 - 06/30/16	50,000	45,729	-	45,729	-
Promoting and Supporting High School to College Transitions		04-194-150-246	07/01/15 - 06/30/16	98,639	98,630	-	98,630	-
				1,083,266	977,858	501,033	1,478,891	25,526
Fund for the Improvement of Postsecondary Education (FIPSE)								
Madison College Real Time Writers Project	84.116K	P116K140012	10/01/14 - 09/30/19	550,000	115,251	-	115,251	-
				550,000	115,251	-	115,251	-
HEP - Migrant Education	84.141A	S141A110027	07/01/11 - 08/31/16	2,290,872	501,536	-	501,536	-
				2,290,872	501,536	-	501,536	-
Total Department of Education				\$ 52,222,235	\$ 47,393,146	\$ 1,413,936	\$ 48,807,082	\$ 25,526
Federal Emergency Management Agency								
FEMA Assistance to Firefighters	97.044	04-431-153-116	02/18/16-04/14/16	27,000	23,332	3,502	26,834	-
Total Federal Emergency Management Agency				\$ 27,000	\$ 23,332	\$ 3,502	\$ 26,834	\$ -
Total Federal Financial Awards				\$ 61,204,977	\$ 51,462,123	\$ 1,471,286	\$ 52,933,409	\$ 74,512

MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2016

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	\$ 51,462,123
Federal grants revenue recognized in the statement of revenues, expenses and changes in net assets	\$ 21,762,419
Loans presented on the Schedule of Expenditures of Federal	29,700,045
Other	(341)
	\$ 51,462,123

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	\$ 970,119

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, 2016

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year ended June 30, 2016

Assistance program	State catalog number	Grant number	Grant dates	Grant amount	Revenues		Total Expenditures	Passed Through to Sub-Recipients
					State	Match		
<u>Wisconsin Department of Transportation</u>								
Driver Education	Statute 20.395(4)(aq)							
Motorcycle Training-Basic Rider		0094-15-03	01/01/15 - 12/31/15	56,600	(904)	32,343	31,439	-
Motorcycle Training-Basic Rider 2		0094-15-40	01/01/15 - 12/31/15	309	30	130	160	-
Motorcycle Training-Advanced Rider		0094-15-32	01/01/15 - 12/31/15	2,495	-	-	-	-
Motorcycle Training-3 Wheel Basic		0094-15-37	01/01/15 - 12/31/15	1,876	598	318	916	-
Motorcycle Training-Basic Rider		60406	01/01/16 - 12/31/16	61,085	37,419	25,930	63,349	-
Total Wisconsin Department of Transportation				\$ 122,365	\$ 37,143	\$ 58,721	\$ 95,864	\$ -
<u>Higher Education Aids Board</u>								
Wisconsin Higher Education Grant	235.102	N/A	07/01/15- 06/30/16	2,261,321	2,261,321	-	2,261,321	-
Remission of Fees for Veterans & Dependents	235.105	N/A	07/01/15- 06/30/16	128,306	128,306	-	128,306	-
Minority Retention Grant	235.107	N/A	07/01/15- 06/30/16	22,205	22,205	-	22,205	-
Wisconsin Covenant Grant	235.108	N/A	07/01/15- 06/30/16	98,260	98,260	-	98,260	-
Academic Excellence	235.109	N/A	07/01/15- 06/30/16	14,625	7,313	7,312	14,625	-
Handicapped Assistance	235.112	N/A	07/01/15- 06/30/16	2,700	2,700	-	2,700	-
Talent Incentive Program	235.114	N/A	07/01/15- 06/30/16	61,225	61,225	-	61,225	-
Nursing Student Loans	235.117	N/A	07/01/15- 06/30/16	11,000	11,000	-	11,000	-
Technical Excellence Program	235.119	N/A	07/01/15- 06/30/16	146,790	73,395	73,395	146,790	-
The Degree Project	235.131	N/A	07/01/15- 06/30/16	6,000	6,000	-	6,000	-
Wisconsin Indian Grant	235.132	N/A	07/01/15- 06/30/16	26,400	26,400	-	26,400	-
Total Higher Education Aids Board				\$ 2,778,832	\$ 2,698,125	\$ 80,707	\$ 2,778,832	\$ -
<u>Wisconsin Technical College System Board</u>								
Performance Based Aid	292.105	N/A	07/01/15- 06/30/16	1,637,680	1,637,680	-	1,637,680	-
State Aids for Technical Colleges	292.105	N/A	07/01/15- 06/30/16	10,294,500	10,294,500	-	10,294,500	-
Prior Year		N/A	07/01/14 - 06/30/15	314,200	314,200	-	314,200	-
				12,246,380	12,246,380	-	12,246,380	-

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year ended June 30, 2016

Assistance program	State catalog number	Grant number	Grant dates	Grant amount	Revenues		Total Expenditures	Passed Through to Sub-Recipients
					State	Match		
Wisconsin Technical College System Board (continued)								
General Purpose Revenue (GPR) Grant Funds	292.124							
Systemwide Leadership								
Manufacturing Maintenance: Mobile Training		04-430-124-186	07/01/15 - 06/30/16	149,857	149,848	-	149,848	-
Interest-Based Problem Solving Professional Development		04-429-124-186	07/01/15 - 06/30/16	5,000	5,000	-	5,000	-
Systemwide Apprentice-Related Instruction								
Machine Tool Apprenticeship-Geographic Expansion		04-432-124-116	07/01/15 - 06/30/16	14,054	14,035	-	14,035	-
Career Pathways								
Bridge to Applied Science and Technology		04-420-124-126	07/01/15 - 06/30/16	282,273	201,143	67,048	268,191	-
Access Health and Bridge to Careers in Health		04-421-124-126	07/01/15 - 06/30/16	251,060	184,665	61,555	246,221	-
Professional Development								
Madison College CETL - Professional Development		04-426-124-156	07/01/15 - 06/30/16	91,640	62,154	-	62,154	-
Student Support								
Student Support		04-427-124-166	07/01/15 - 06/30/16	352,540	256,382	85,461	341,842	19,735
Core Industry								
Access to Careers in Bioscience		04-422-124-136	07/01/15 - 06/30/16	93,009	61,998	-	61,998	-
Developing Markets								
Fabrication Specialist Program		04-424-124-146	04/01/15 - 06/30/16	137,962	125,782	-	125,782	-
Workforce Advancement Training								
Next Generation Manufacturing Quality Consortium		04-428-124-176	07/01/15 - 08/31/16	138,889	57,924	-	57,924	-
Trienda Holdings, LLC, Growing Stronger		04-319-124-175	07/01/14 - 08/31/15	71,973	2,300	1,530	3,829	-
Robbins Manufacturing		04-320-124-175	07/01/14 - 08/31/15	63,028	4,610	3,475	8,086	-
Thermal Spray Technologies Continuous Improvement & Intro to CNC Basics		04-321-124-175	07/01/14 - 08/31/15	61,098	17,616	17,273	34,889	-
Retaining Johnsonville's Workforce during Plant Shutdown		04-324-124-175	07/01/14 - 08/31/15	66,720	25,733	19,452	45,186	-
				<u>1,779,103</u>	<u>1,169,191</u>	<u>255,794</u>	<u>1,424,985</u>	<u>19,735</u>
Property Tax Relief Aid	292.162	N/A	07/01/15- 06/30/16	60,894,211	60,894,211	-	60,894,211	-
				<u>60,894,211</u>	<u>60,894,211</u>	<u>-</u>	<u>60,894,211</u>	<u>-</u>
Fire Service Operations	292.137							
Fire Fighter Training 2%		N/A	07/01/15- 06/30/16	80,157	80,157	-	80,157	-
				<u>80,157</u>	<u>80,157</u>	<u>-</u>	<u>80,157</u>	<u>-</u>
Total Wisconsin Technical College System Board				\$ 74,999,851	\$ 74,389,939	\$ 255,794	\$ 74,645,733	\$ 19,735

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year ended June 30, 2016

Assistance program	State catalog number	Grant number	Grant dates	Grant amount	Revenues		Total Expenditures	Passed Through to Sub-Recipients
					State	Match		
<u>Wisconsin Department of Corrections</u>								
Windows to Work Program								
Workforce Development Board - Career Pathways								
Industrial Maintenance Essentials	301.068(3)b	15-300-2016-W2W	04/04/16- 06/30/16	77,009	70,873	-	70,873	-
Total Wisconsin Department of Corrections				\$ 77,009	\$ 70,873	\$ -	\$ 70,873	\$ -
<u>Wisconsin Department of Natural Resources</u>								
Aid in Lieu of DNR Property Taxes	370.503	N/A	07/01/15- 06/30/16	81,153	81,153	-	81,153	-
Total Wisconsin Department of Natural Resources				\$ 81,153	\$ 81,153	\$ -	\$ 81,153	\$ -
<u>Wisconsin Department of Justice</u>								
Law Enforcement Training Fund	455.231							
First Line Supervisor's Course		2016-LE-01-11758	01/12/16 - 01/29/16	7,292	5,400	-	5,400	-
Total Wisconsin Department of Justice				\$ 7,292	\$ 5,400	\$ -	\$ 5,400	\$ -
<u>Wisconsin Fast Forward</u>								
Blueprint For Prosperity	445.109							
Blueprint for Prosperity Wait List Grant		BP142TC-MAD	07/01/14 - 12/31/16	5,009,710	2,337,535	-	2,337,535	-
Blueprint for Prosperity High School Pupil Workforce Training Grant		BP151HSP-31	04/01/15 - 12/31/16	66,219	48,224	71,406	119,630	-
Total Wisconsin Fast Forward				\$ 5,075,929	\$ 2,385,759	\$ 71,406	\$ 2,457,164	\$ -
<u>Wisconsin Department of Revenue</u>								
State Aid-Computers	835.109	N/A	07/01/15- 06/30/16	529,017	529,017	-	529,017	-
Total Wisconsin Department of Revenue				\$ 529,017	\$ 529,017	\$ -	\$ 529,017	\$ -
Total State Financial Awards				\$ 83,671,447	\$ 80,197,408	\$ 466,628	\$ 80,664,036	\$ 19,735

MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year ended June 30, 2016

NOTE A - SIGNIFICANT ACCOUNTING POLICY

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

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

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

State revenues from Schedule of Expenditures of State Awards	<u>\$</u>	<u>80,197,408</u>
State grants revenue is presented on the basic financial statements as follows:		
Operating	\$	6,447,173
Non-operating		73,750,761
Other		<u>(526)</u>
	<u>\$</u>	<u>80,197,408</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	\$ 95,864
235.105	Higher Education Aids Board	Remission of Fees for Veterans and Dependents	128,306
235.131	Higher Education Aids Board	The Degree Program	6,000
292.137	Wisconsin Technical College System Board	Fire Service Operations	80,157
370.503	Department of Natural Resources	Aid in Lieu of DNR Property Taxes	81,153
455.231	Wisconsin Department of Justice	Law Enforcement Training Fund	5,400
835.109	Department of Revenue	State Aid - Computers	529,017

**MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued?	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Non-compliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(s) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200?	Yes

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Student Financial Assistance Cluster	
84.007	Federal Supplemental Educational Opportunity Grants
84.268	Federal Direct Student Loans
84.033	Federal Works-Study Program
84.063	Federal Pell Grant

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

SECTION I - SUMMARY OF AUDITOR'S RESULTS (continued)

State Awards

Internal control over major programs:

- Material weakness(s) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? None reported

Type of auditor's report issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*? No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
292.105	State Aids for Technical Colleges
292.105	Performance Based Aid
292.162	Property Tax Relief Aid
235.107	Minority Retention Grant
235.108	Wisconsin Covenant Grant
235.109	Academic Excellence
235.114	Talent Incentive Program
235.117	Nursing Student Loans
235.119	Technical Excellence Program
235.132	Wisconsin Indian Grant

Dollar threshold used to distinguish between type A and type B programs: \$250,000

Auditee qualified as low-risk auditee? Yes

SECTION II - FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

There were no financial statement findings reported in the current year.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

Finding 2016-001

Program Name – Student Financial Aid Cluster
CFDA Number – 84.033 Federal Work-Study Program
 84.063 Federal Pell Grant
 84.286 Federal Direct Student Loans
Funding Agency – Department of Education
Award Period – July 1, 2015 to June 30, 2016
Finding Type – Significant Deficiency in Internal Controls and Compliance

Criteria

The Code of Federal Regulations, 34 CFR 685.309 requires that enrollment status changes for students be reported to NSLDS within 30 days or within 60 days if the student with the status change will be reported on a scheduled transmission within 60 days of the change in status. Regulations require the status include an accurate effective date. In addition, regulations require that an institution make necessary corrections and return the records within 10 days for any roster files that don't pass the NSLDS enrollment reporting edits.

Condition

During our testing of the Direct Loan and Pell Grant programs, we selected a sample of students to test for timeliness of reporting student status changes to the National Student Loan Data System (NSLDS). During our testing, we noted that the rosters returned yielded error reports that were not corrected and resubmitted within the required 10 days.

This issue occurred at the majority of colleges and universities in the U.S. during 2016, attributable to a processing error within the National Student Clearinghouse and the NSLDS websites. The U.S. Department of Education is aware of this processing error and institutions around the country utilizing the National Student Clearinghouse are also facing this same issue and have the same finding.

This processing error is not within a computer system in the control of the College. While it is difficult to eliminate all errors, it is possible for colleges and universities to create an Enrollment Reporting Summary Report after reporting student status changes on NSLDS, which can help to detect these types of errors. The Summary Report must then be reviewed by college financial aid staff and errors must be corrected manually.

Cause

The College's processes and controls did not ensure that student status changes were properly and timely reported to NSLDS.

Effect

The NSLDS system is not updated with the student information which can cause overawarding should the student transfer to another institution and the students may not properly enter the repayment period.

Repeat Finding

No.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

Finding 2016-001 (Continued)

Recommendation

We recommend that the District review its reporting procedures to ensure that students' statuses are accurately and timely reported to NSLDS as required by regulations

Management's Response

The Madison College Financial Aid Office has created an impact team to directly work with the National Student Clearinghouse's Audit Resource Center to discuss the auditor findings and will continue to work with the reporting to NSC to review the reporting errors that are received from NSLDS to minimize these errors and any issues that the District is experiencing on the front end. The Financial Aid Office will also be looking into the process to review the Enrollment Reporting Summary Report, and if necessary, will review any errors and correct manually as needed on a timely basis.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

Finding 2016-002

Program Name – Student Financial Aid Cluster
CFDA Number – 84.033 Federal Work-Study Program
 84.063 Federal Pell Grant
 84.286 Federal Direct Student Loans
Funding Agency – Department of Education
Award Period – July 1, 2015 to June 30, 2016
Finding Type – Significant Deficiency in Internal Controls and Compliance

Criteria

The Department of Education regulations requires any Title IV federal refunds that have not been cashed or received by the student, to be returned to the Department no later than 240 days after the disbursement was issued.

Condition

13 out of 32 selected uncashed student refund checks, contained Federal Financial Aid funds and were outstanding greater than 240 days. These funds had not been properly returned to the Department of Education.

Cause

The District did not have a proper system and control structure in place to track uncashed student refund checks and identify those requiring return to the Department of Education.

Questioned Cost

\$57,137

Effect

The District self-reported this instance of noncompliance to the Department of Education during the year and identified the amount of funds that were required to be returned to the Department of Education or returned to students under an approved plan.

Repeat Finding

No.

Recommendation

We recommend the District design and implement controls to monitor student refunds and identify amounts that are required to be returned to the Department of Education.

Management's Response

The District has undergone an extensive review of its Title IV policies and procedures and have since been updated to include policies SF-01 – Uncashed Student Refund Checks, as well as SF-02 – Financial Aid Reconciliation and Cash Management. The District has already implemented the policies and procedures to ensure that uncashed checks are reviewed and sent back to the Department of Education on a timely basis.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

SECTION IV - OTHER ISSUES

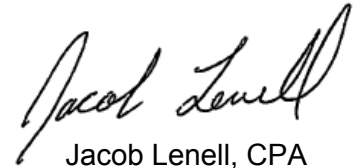
Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as the auditee's ability to continue as a going concern? No

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

Higher Education Aids Board No
Technical College System Board No

Was a Management Letter or other document conveying audit comments issued as a result of this audit? No

Name and Signature of Partner


Jacob Lenell, CPA

Date of Report

January 5, 2017

**MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF STATUS OF PRIOR FINDINGS
For the Year Ended June 30, 2016**

No findings were reported for the year ended June 30, 2015.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

District Board
Madison Area Technical College District
Madison, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Madison Area Technical College District, as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise Madison Area Technical College District's basic financial statements, and have issued our report thereon dated January 5, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
January 5, 2017



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY THE UNIFORM GUIDANCE

District Board
Madison Area Technical College District
Madison, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Madison Area Technical College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of Madison Area Technical College District's major federal and major state programs for the year ended June 30, 2016. Madison Area Technical College District's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal and Major State Program

In our opinion, Madison Area Technical College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and State Single Audit Guidelines, and which are described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-002. Our opinion on each major federal and major state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-002, that we consider to be significant deficiencies.

District Board
Madison Area Technical College District

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

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

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

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
January 5, 2017



MADISON
AREA | TECHNICAL
COLLEGE