

Madison Area Technical College District | Wisconsin
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**



madisoncollege.edu

for the fiscal years ended
June 30, 2019 and 2018

MADISON AREA TECHNICAL COLLEGE DISTRICT
Madison, Wisconsin
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the years ended June 30, 2019 and 2018

Current Members of the Board

Frances Huntley-Cooper Chairperson
Joseph Hasler Vice Chairperson
Shiva Bidar-Sielaff Treasurer
Arlyn Halvorson Member
Elton Crim Jr. Member
Kelly Crombie Member
Randy Guttenberg Member
Ananda Mirilli Member
Melanie Lichtfeld Member
Aaron Schattschneider..... Student Liaison

Current Administrators

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

Official Issuing Report

Mark Thomas Vice President of Administrative Services
and Chief Financial Officer

Report Prepared By

Laurie Grigg Controller

Assisted By

Alane Spatola Financial Manager
Teri Paltz Financial Manager
Tim Bergman Senior Accountant

MADISON AREA TECHNICAL COLLEGE DISTRICT

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Years Ended June 30, 2019 and 2018**

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December 4, 2019

To the Residents, Board of Directors and Madison Area Technical College District:

The Comprehensive Annual Financial Report (CAFR) of Madison Area Technical College District (the District or Madison College) for the fiscal years ended June 30, 2019 and 2018, 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 residents, 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, information regarding 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of Wisconsin Department of Administration publication, *State Single Audit Guidelines*. Information related to the requirements and compliance with this single audit can be found in the single audit section of this report.

The Governmental Accounting Standards Board (GASB) requires 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 2018-19 of \$88,862,705,893 and an estimated District population in 2019 of 790,521. 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 practical and timely education through a comprehensive array of academic offerings including occupational degrees, a robust liberal arts curriculum, adult basic education and extensive offerings to serve business and industry and lifelong learners. The college offers associate degrees, technical diplomas, certificates, apprenticeship, professional and non-credit courses, digital badges and more that cover more than 150 programs of study. In addition to serving the credit and credential seeking student, Madison College also offers extensive and relevant options to businesses via customized training and lifelong learners via professional development and enrichment courses. Madison College also serves international students, offers study abroad options and is home to new, unique opportunities for high school students to earn college credits or credentials. A prime example of this is the Early College STEM Academy wherein high school students attend Madison College full time during their junior and senior years and complete high school requirements while earning college credits or credentials.

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

Strategic Plan

Mission

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

Vision

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

Value

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

Strategic Directives

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

Factors Affecting Financial Condition

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

Local Economy

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

The Madison area continues to fare better than the national economy in terms of unemployment. According to the Bureau of Labor Statistics (BLS), the adjusted Madison Metropolitan Area's unemployment rate (not seasonally adjusted) decreased from 2.1% in November 2017 to 2.0% in November 2018. In comparison, the Wisconsin and U.S. rates for December 2018 were 3.5% and 2.5% respectively.

The overall Midwest Region consumer price index rose 1.7% from March 2018 to March 2019, compared to a national increase of 1.9% over the same period.

The Wisconsin REALTORS® Association reported in April 2019 that existing Wisconsin home sales *decreased* in March 2019 by 13.2% compared to March 2018, with prices increasing by 6.3%. In the 12 county South Central Wisconsin region, existing home sales *decreased* 10.2% over the 12 months ending March 2019. During that time, the median sale price in the region increased \$9,900 or 4.5%. Housing values are set for tax purposes in January of each year, and those values reported to taxing authorities the following fall are used for computing taxes, which are billed to property owners in December.

Legislative Climate

A new session of the legislature began in January 2019. Republican officials hold majorities in both houses of the legislature; the governor's office is occupied by a Democrat.

The legislature completed work on the 2019-21 biennial budget in June of 2019. The governor signed the budget, with 78 partial vetoes, on July 3, 2019. Partial vetoes issued by the governor do not materially affect the college.

Specifically, the budget passed by the legislature increases the total state funding for all 16 technical colleges by \$12.5 million in each year of the biennium. The leadership of both parties supported new investments in general state aid to technical college districts due to the return on investment it provides the state's economy. The enacted budget does not provide additional financial aid for technical college students as requested by the WTCS State Board.

In March 2019, the WTCS State Board approved a 1.7% increase in tuition for students in degree credit programs in 2019-20.

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 support for higher education.

Institutional Successes

Following are 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 94 percent of Madison College graduates find jobs within six months of graduation. Of those, over 74 percent are employed within the district and 89 percent are employed within the state of Wisconsin. The average monthly salary for a Madison College graduate in a position related to their degree is \$3,284.
- In September 2018, Madison College received a \$483,244 grant award from the U.S. Department of Education, Child Care Access Means Parents in School (CCAMPIS) Program. This grant provides tuition assistance for campus-based childcare offered through the college's Child and Family Center for qualifying Madison College student-parents. Two primary goals of the project include improving access to higher education for low-income student-parents by providing affordable and flexible childcare and improving rates of persistence, credential attainment, or transfer of student-parents through proactive and continuous supports. By providing CCAMPIS scholarships, low-income student-parents can use the services at Madison College to increase their education levels and provide a better future for their families.

- Board licensure:

| Program | Madison College Pass Rate | National Pass Rate |
|---------------------------------------|----------------------------------|---------------------------|
| Advanced Emergency Medical Technician | 78% | 62% |
| Associate Degree Nursing | 96% | 88% |
| Certified Paralegal | 70% | 61% |
| Dental Hygiene | 92% | 95% |
| Emergency Medical Technician | 87% | 71% |
| Medical Assistant | TBA | TBA |
| Medical Laboratory Technician | 95% | 81% |
| Occupational Therapy Assistant | 94% | 91% |
| Optometric Technician | 100% | 75% |
| Clinical Ophthalmic Assistant | 80% | 82% |
| Paramedic | 80% | 73% |
| Physical Therapy Assistant | 85% | 85% |
| Radiography | 100% | 89% |
| Respiratory Therapist | 100% | 79% |
| Surgical Technologist | 90% | 78% |
| Therapeutic Massage | 92% | 67% |
| Veterinary Technician | 93% | 75% |

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 and other support systems. The District Board has responded to these challenges by developing a number of financial policies that emphasize long-term financial stability of the District, address college stakeholders' needs, and maintain financial flexibility.

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

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

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

The Board also requires a capital budget that meets the capital needs of the District. In addition to the above-mentioned 10 Year Facility Master Plan, annually the District prepares a three-year facilities plan for Board approval and submittal to the Wisconsin Technical College System (WTCS). During Fiscal Year 2019-20, Madison College plans to borrow \$28 million for capital projects.

Madison College's Smart Future Building Plan

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

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

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

All work from the 2010 referendum has been completed, and in 2018 a new work team updated the 2009 Facilities Master Plan with a new 10 Year Facility Master Plan. The updated plan is based on the goals of the new Academic and Student Services Plans, identifying how Madison College's facilities can host accessible, high quality learning and technical experiences that meet the needs of its ever-evolving students, communities, and area employers. Elements of this updated Facilities Master Plan have already begun informing capital resource allocation and planning for FY20 and beyond, with future resource allocations dependent upon availability.

Management Systems and Controls

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

Accounting System

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

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

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

Budgetary System

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

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

Independent Audit

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

EXCELLENCE IN FINANCIAL REPORTING

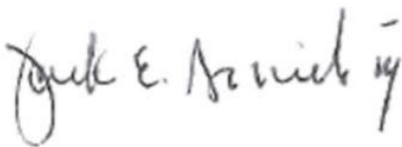
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Madison Area Technical College District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the twenty-second consecutive year that Madison Area Technical College District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENT

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

Respectfully submitted,



Jack E. Daniels III, Ph.D.
President



Mark Thomas
Vice President of Administrative Services
and Chief Financial Officer



December 4, 2014

MANAGEMENT'S RESPONSIBILITY

Board of Trustees
Madison Area Technical College (MATC)

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

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

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

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

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

Jack E. Garwin II, Ph.D.
President

Mark Thomas
Vice President of Administrative Services
and Chief Financial Officer

Frances Marley-Casper
Madison College Board Chair

Steve Olson
Madison College Board Treasurer

Map of Wisconsin Technical College District





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Madison Area Technical College
District, Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christy A. Merrill

Executive Director (CEO)

Madison Area Technical College District Board

FY 2019 - 2020



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



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



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



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



Arlyn R. Halvorson
[Employee Member]
Term Expires 6/30/21
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 6/30/22
Attorney, LaRowe Gerlach Taggart
LLP



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



Ananda Mirilli
[Employee Member]
Term Expires 6/30/22
Education Equity Consultant,
Wisconsin Department of
Public Instruction



Melanie Lichtfeld
[Employer Member]
Term expires 6/30/22
Owner, Lichtfeld Plumbing

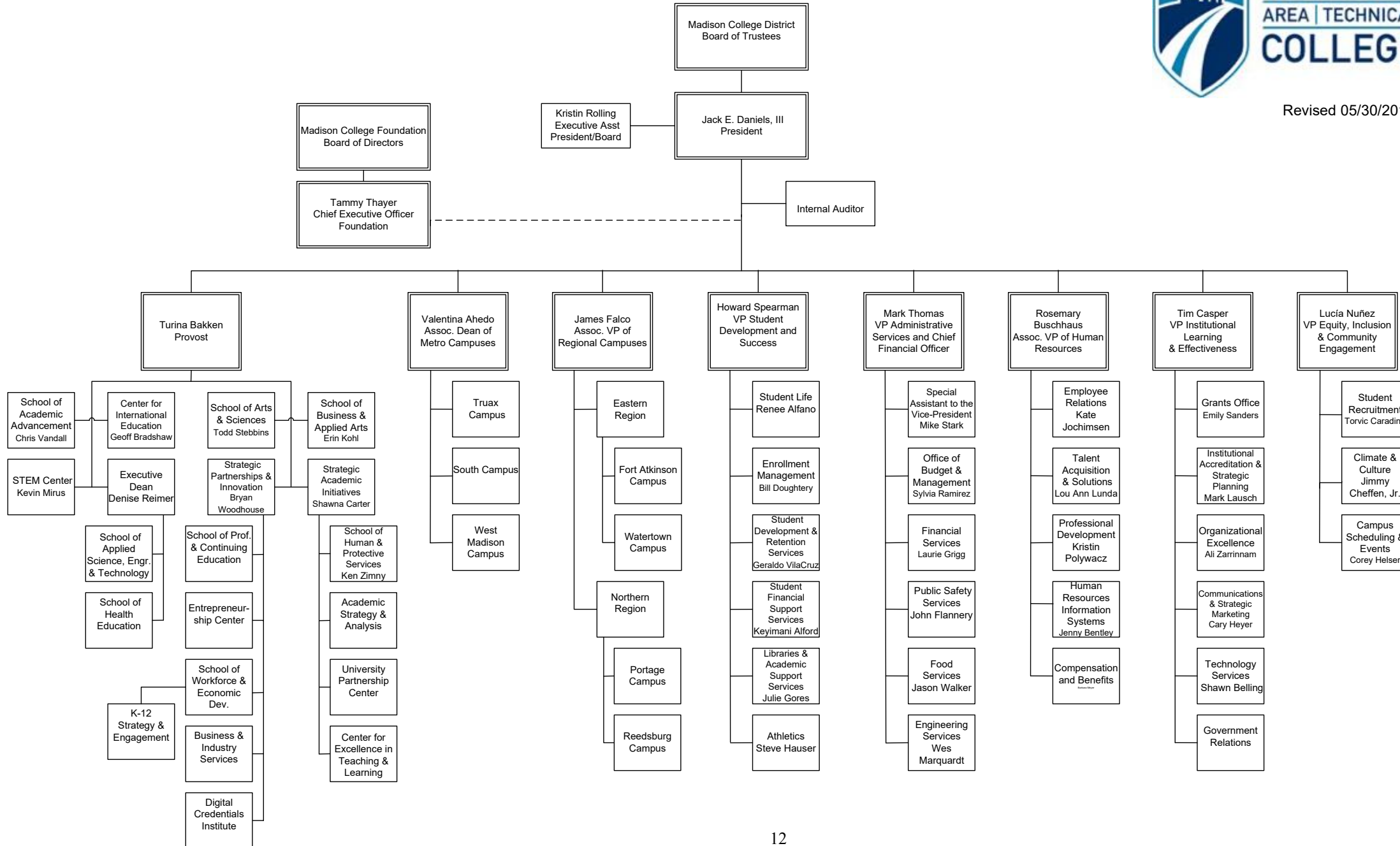


Jack E. Daniels III, Ph.D.
President
Madison Area Technical College

Madison College Organizational Chart



Revised 05/30/2019





INDEPENDENT AUDITORS' REPORT

District Board
Madison Area Technical College
Madison, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the Madison Area Technical College, as of and for the year ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the Madison Area Technical College as of June 30, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

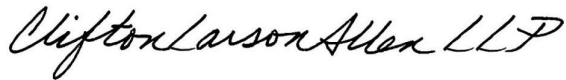
The individual budgetary basis fund financial statements, the schedule to reconcile budget bases financial statements to the basic financial statements, and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2019, on our consideration of the Madison Area Technical College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Madison Area Technical College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison Area Technical College's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 4, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

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

Basic Financial Statements

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

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

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

The statement of revenues, expenses and changes in net position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. As the District receives the majority of its revenues from the taxpayers and other government entities, the District will report an operating deficit or loss. Revenues received from taxpayers (tax levies) and from the state (state appropriations) are considered non-operating revenue, and reduce the operating deficit or loss. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

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

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

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

| | 2019 | 2018 | Increase (Decrease) 2019-2018 | 2017 | Increase (Decrease) 2018-2017 |
|--|-------------------|-------------------|-------------------------------------|-------------------|-------------------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 74,710 | \$ 88,406 | \$ (13,697) | \$ 81,429 | \$ 6,977 |
| Net capital assets | 273,970 | 256,549 | 17,421 | 251,104 | 5,445 |
| Net pension asset | - | 19,200 | (19,200) | - | 19,200 |
| Other assets | 44,451 | 42,765 | 1,686 | 30,316 | 12,449 |
| Total Assets | 393,131 | 406,921 | (13,790) | 362,849 | 44,072 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred outflows of resources related to pensions | 58,936 | 32,027 | 26,909 | 43,320 | (11,293) |
| Deferred outflows of resources related to OPEBs | 3,064 | 1,866 | 1,198 | - | 1,866 |
| Refunding loss | 4,165 | 4,528 | (362) | - | 4,528 |
| Total Deferred Outflows of Resources | 66,166 | 38,420 | 27,745 | 43,320 | (4,900) |
| LIABILITIES | | | | | |
| Current liabilities | 61,562 | 59,221 | 2,341 | 52,940 | 6,281 |
| Net pension liability | 22,927 | - | 22,927 | 5,334 | (5,334) |
| Net OPEB liability | 21,655 | 24,053 | (2,397) | 1,562 | 22,491 |
| Other long-term liabilities | 163,801 | 167,075 | (3,274) | 166,602 | 474 |
| Total Liabilities | 269,945 | 250,349 | 19,596 | 226,437 | 23,912 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred inflows of resources related to pensions | 31,622 | 37,838 | (6,216) | 22,099 | 15,739 |
| Deferred inflows of resources related to OPEBs | 3,511 | 497 | 3,015 | - | 497 |
| Total Deferred Inflows of Resources | 35,133 | 38,335 | (3,201) | 22,099 | 16,236 |
| NET POSITION | | | | | |
| Net investment in capital assets | 127,550 | 113,912 | 13,638 | 104,751 | 9,160 |
| Restricted for capital acquisitions | - | 9,849 | (9,849) | - | 9,849 |
| Restricted for debt service | 3,451 | 3,057 | 393 | 2,283 | 774 |
| Restricted for net pension asset | - | 19,200 | (19,200) | - | 19,200 |
| Unrestricted | 23,217 | 10,639 | 12,579 | 50,597 | (39,959) |
| Total Net Position | \$ 154,218 | \$ 156,657 | \$ (2,439) | \$ 157,632 | \$ (975) |

Fiscal Year 2019 Compared to 2018

Total assets decreased by \$13.8 million, or 3.4%. This was a net result from various changes in most categories of assets.

- The net pension asset decreased from \$19.2 million to \$0 since this year the Wisconsin Retirement System recorded a net pension liability compared to a net pension asset from last year. Additional disclosure information can be found in Note E on Pensions.
- Cash and investments decreased by \$13.7 million or 15.5%. The campaign for donations for the new Goodman South campus was in fiscal year 2018. That resulted in a large decline in donations for fiscal year 2019 as a comparison.
- Net capital assets increased by \$17.4 million or 6.8%. Net capital assets added this fiscal year were, equipment \$24.4 million, and building and land improvements of \$9.7 million. There was also an increase in construction in progress of \$13.9 million. Depreciation expense and sale/disposals reduced net capital assets for the year by \$30.6 million.
- Other assets increased by \$1.7 million or 3.9%, in large part due to the increase in property tax receivables of \$1.2 million.

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

- Deferred outflows of resources related to pensions increased by \$26.9 million or 84.0%.
- Deferred outflows of resources related to OPEBs increased from by \$1.2 million or 64.2%.
- Deferred outflows of resources due to the amortization of the refunding loss decreased by \$362,000 or 8.0%.

Total liabilities increased by \$19.6 million or 7.8% for the fiscal year.

- Current liabilities increased by \$2.3 million or 4.0%. Accounts payables increased by \$1.4 million due to the increased expenses at year end for the new Goodman South Campus that opened up in September 2019. Unearned program and material fees increased by \$788,000.
- The net pension liability increased by \$22.9 million from \$0 due to changing from a pension asset for fiscal year 2018.
- The net OPEB liability was decreased by \$2.4 million or 10.0%. Please see Note F and F(1) for additional disclosure information regarding OPEBs.
- Other long-term liabilities decreased by \$3.3 million or 2.0%, mainly due to a decrease in compensated absences and general obligation debt.

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

- Deferred inflows of resources related to pensions decreased by \$6.2 million or 16.4%.
- Deferred inflows of resources related to OPEBs increased by \$3.0 million or 607.0%.

Net position decreased by \$2.4 million or 1.6% for the fiscal year.

- Net investment in capital assets increased by \$13.6 million or 12.0%. Many large projects were completed within the fiscal year.
- Restricted for capital acquisitions decreased by \$9.8 million to \$0. The District had received gifts restricted for the construction of a new campus that was fully expensed.
- Restricted for debt service increased by \$393,000 or 12.9%. Premiums received on debt issues are included in the debt service fund and accrued interest is excluded from the reserve balance.
- Restricted for net pension asset decreased from \$19.2 million to \$0 due to changing from a net pension asset to net pension liability for fiscal year 2019.
- Unrestricted net position increased by \$12.6 million or 118.2%.

Fiscal Year 2018 Compared to 2017

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

- The net pension asset increased from \$0 to \$19.2 million since this year the Wisconsin Retirement System recorded a net pension asset compared to a net pension liability from last year. Additional disclosure information can be found in Note E on Pensions.
- Cash and investments increased by \$7.0 million or 8.6%. There was an increase of investments at yearend compared to the prior year. The District has made an effort to invest in more local CDs while maintaining the liquidity needed for operations. In addition, there were many gifts received before the close of the yearend to support the construction of a new Madison South Campus that will be ready for the fall of 2019.
- Net capital assets increased by \$5.4 million or 2.2%. Net capital assets added this fiscal year were land worth \$2.5 million, equipment \$14.5 million, and building and land improvements of \$10.8 million. There was a reduction of construction in progress of \$1.6 million. Depreciation expense and sale/disposals reduced net capital assets for the year by \$18.0 million.
- Other assets increased by \$12.4 million or 41.1%, in large part due to the change in student fee receivables. The Governor did not approve the tuition within the normal timeframe for the fiscal year 2017 assessments thus significantly reducing the student receivables in that year.

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

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

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

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

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

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

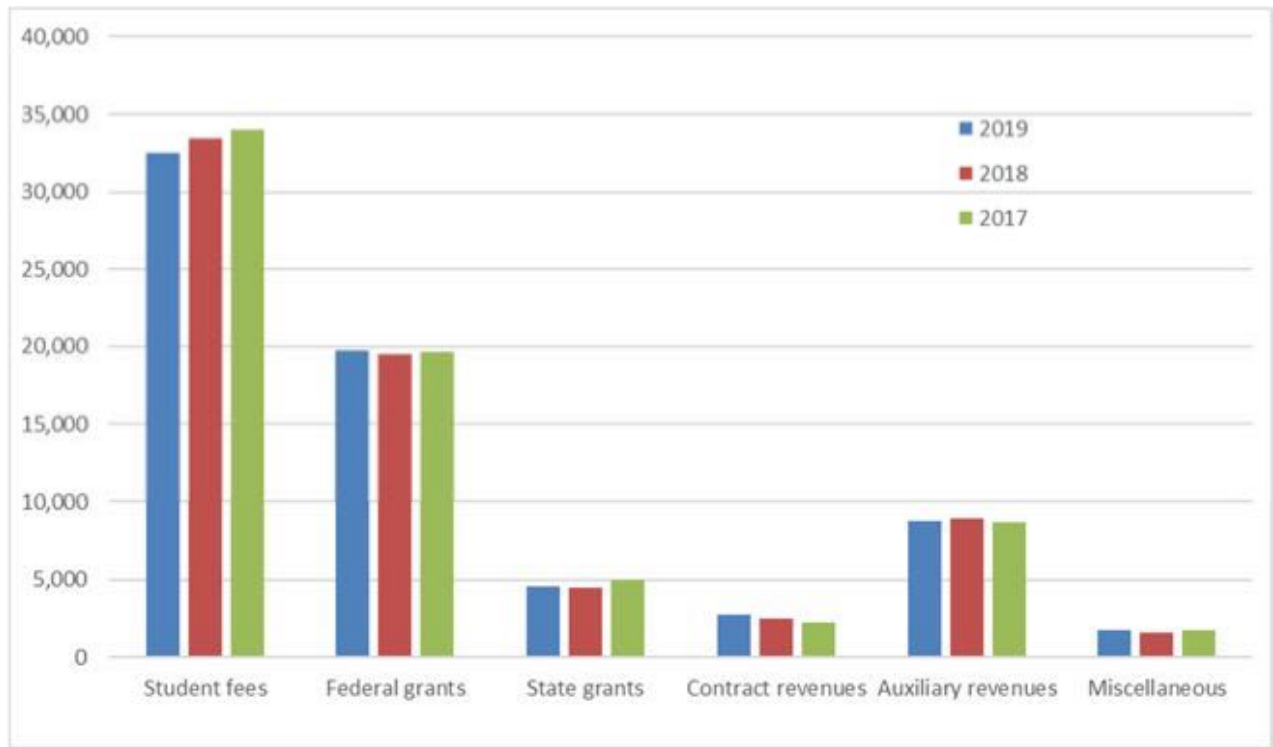
Net position decreased by \$975,000 or less than 1%, for the fiscal year.

- Net investment in capital assets increased by \$9.2 million or 8.7%. Many large projects were completed within the fiscal year.
- Restricted for capital acquisitions increased by \$9.8 from \$0. The District had received gifts restricted for the construction of a new campus that was not yet fully expensed.
- Restricted for debt service increased by \$774,000 or 33.9%. Premiums received on debt issues are included in the debt service fund and accrued interest is excluded from the reserve balance.
- Restricted for net pension asset increased to \$19.2 million from \$0 due to changing from a net pension liability to net pension asset for fiscal year 2018.
- Unrestricted net position decreased by \$20.8 million or 41.0%. This is in large part due to the prior period adjustment to record the beginning balance of OPEB due to the new requirements of GASB Statement No. 74 and 75. Additional detail on the prior period adjustment can be found in Note L – Restatement of Net Position.

The following is a summary of Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2019, 2018, and 2017 (dollars in thousands)

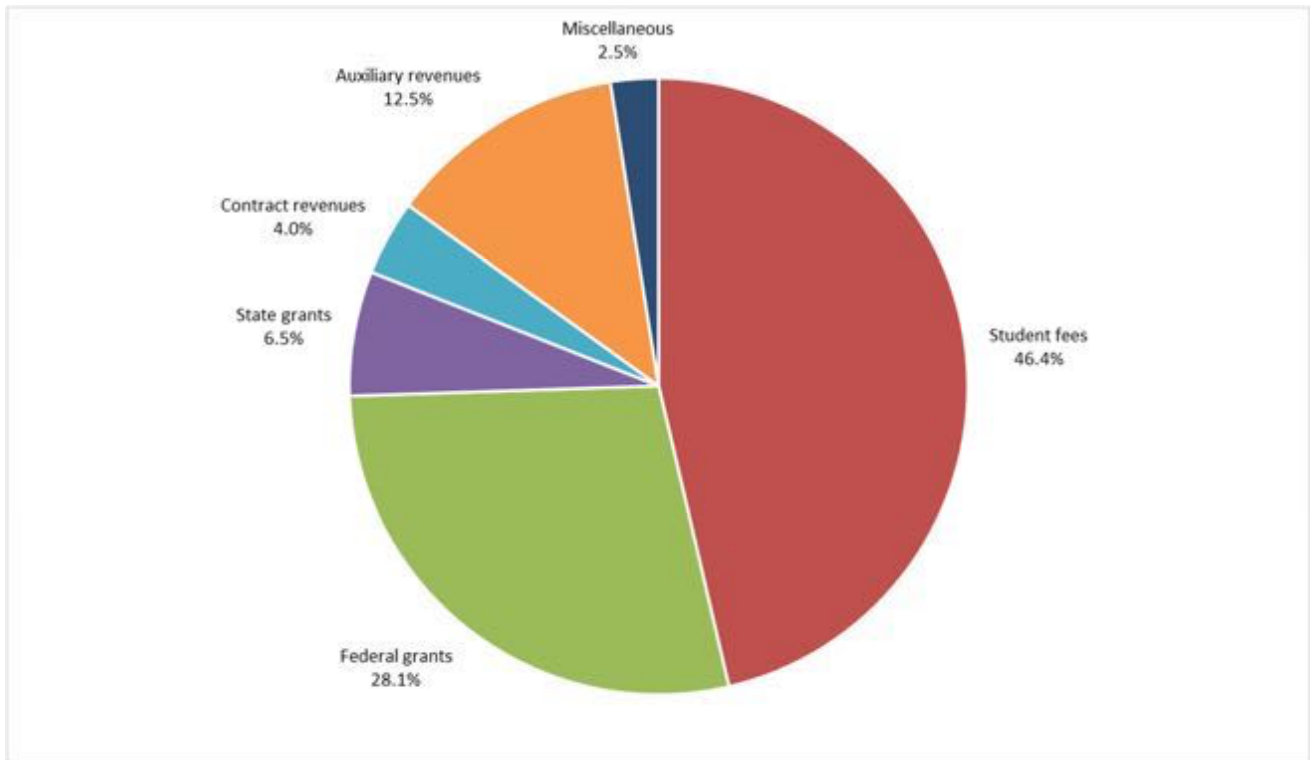
| | 2019 | 2018 | Increase (Decrease) 2019-2018 | 2017 | Increase (Decrease) 2018-2017 |
|--|-------------------|-------------------|-------------------------------------|-------------------|-------------------------------------|
| Operating revenues | | | | | |
| Student fees | \$ 32,501 | \$ 33,394 | \$ (894) | \$ 34,038 | \$ (644) |
| Federal grants | 19,725 | 19,516 | 209 | 19,622 | (106) |
| State grants | 4,591 | 4,482 | 109 | 4,977 | (495) |
| Contract revenues | 2,776 | 2,491 | 285 | 2,276 | 215 |
| Auxiliary revenues | 8,774 | 8,936 | (162) | 8,660 | 276 |
| Cost reimbursements | 78 | 84 | (6) | 82 | 2 |
| Miscellaneous | 1,658 | 1,602 | 57 | 1,776 | (174) |
| Total operating revenues | 70,104 | 70,506 | (402) | 71,431 | (925) |
| Non-operating revenues | | | | | |
| Property taxes | 77,765 | 74,991 | 2,774 | 73,677 | 1,314 |
| State appropriations | 73,147 | 72,586 | 561 | 72,222 | 364 |
| Gifts, grants and bequests | 5,784 | 15,688 | (9,904) | 3,524 | 12,164 |
| Investment income earned | 1,999 | 1,141 | 858 | 545 | 597 |
| Total non-operating revenues | 158,695 | 164,406 | (5,711) | 149,968 | 14,438 |
| Total revenues | 228,799 | 234,912 | (6,113) | 221,399 | 13,513 |
| Operating expenses | | | | | |
| Instruction | 110,930 | 109,284 | 1,646 | 111,372 | (2,089) |
| Instructional resources | 9,050 | 8,376 | 674 | 7,933 | 443 |
| Student services | 14,738 | 15,665 | (928) | 17,618 | (1,953) |
| General institutional | 12,932 | 15,010 | (2,078) | 14,363 | 648 |
| Physical plant | 26,776 | 21,267 | 5,509 | 10,796 | 10,470 |
| Public service | 470 | 416 | 54 | 366 | 50 |
| Auxiliary enterprise services | 11,952 | 10,557 | 1,395 | 12,160 | (1,603) |
| Depreciation | 22,133 | 20,735 | 1,398 | 20,029 | 706 |
| Student aid | 9,654 | 9,849 | (195) | 10,089 | (240) |
| Total operating expenses | 218,634 | 211,159 | 7,476 | 204,727 | 6,432 |
| Non-operating expenses | | | | | |
| Loss (gain) on disposal of capital assets | 8,234 | 27 | 8,207 | 145 | (118) |
| Interest expense | 4,370 | 3,732 | 638 | 4,941 | (1,209) |
| Total non-operating expenses | 12,604 | 3,759 | 8,845 | 5,086 | (1,327) |
| Total expenses | 231,238 | 214,918 | 16,321 | 209,812 | 5,105 |
| Increase (Decrease) in Net Position | (2,439) | 19,994 | (22,433) | 11,586 | 8,408 |
| Net position - beginning of the year - restated | 156,657 | 136,663 | | 146,046 | |
| Net position - end of the year | \$ 154,218 | \$ 156,657 | | \$ 157,632 | |

**Comparison of Operating Revenues
For the Years Ended June 30, 2019, 2018 and 2017 (dollars in thousands)**

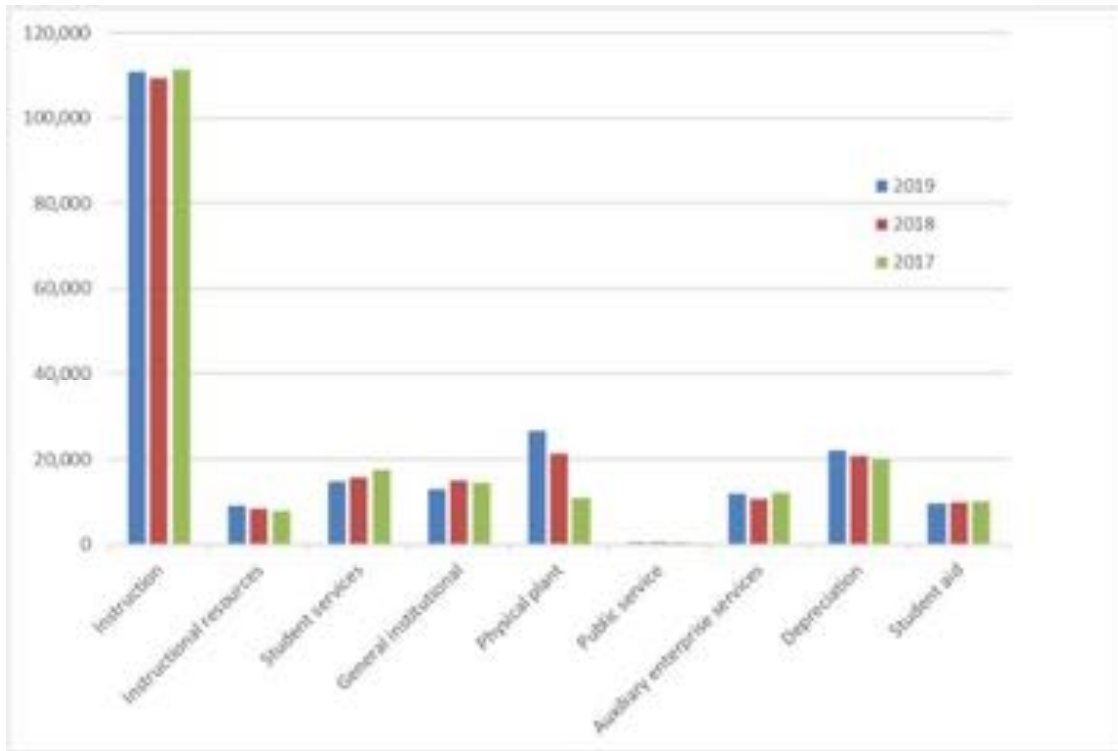


The following is a graphical illustration of operating revenues by source for the fiscal year ended June 30, 2019.

**Operating Revenues
For the Year Ended June 30, 2019**

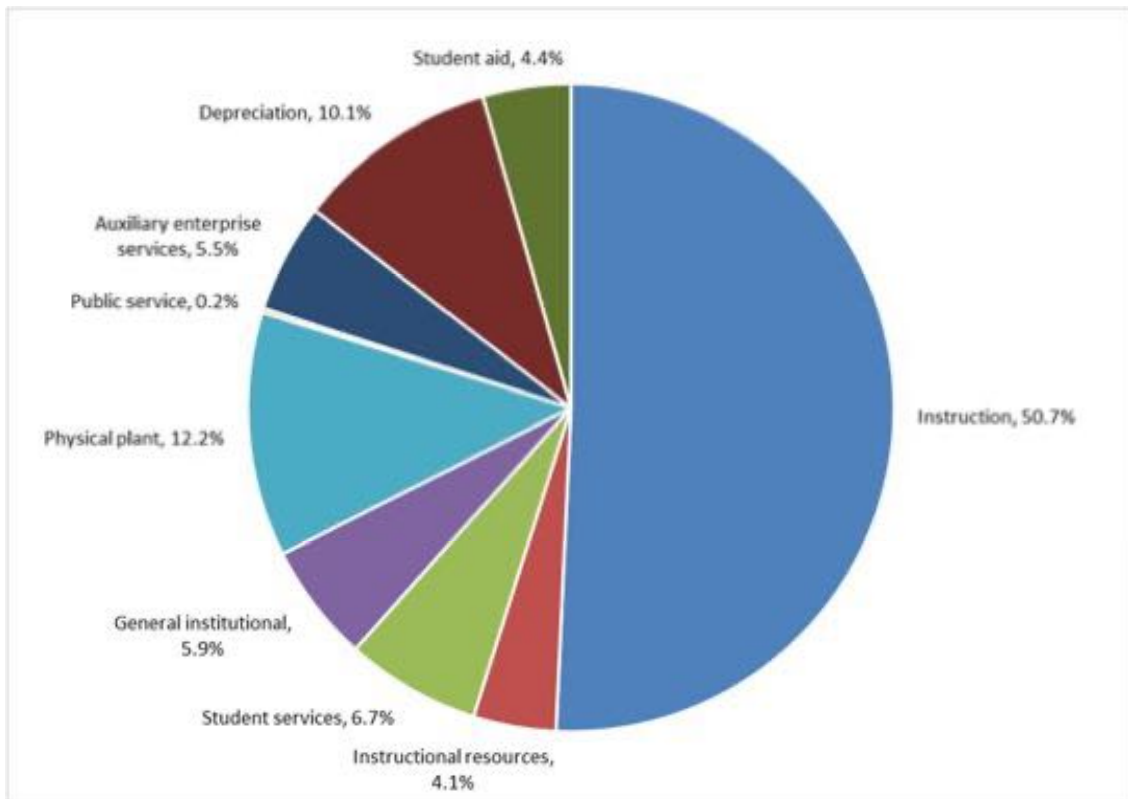


**Comparison of Operating Expenses
For the Years Ended June 30, 2019, 2018 and 2017 (dollars in thousands)**



The following is a graphical illustration of operating expenses by function for the fiscal year ended June 30, 2019.

Operating Expenses



Fiscal Year 2019 Compared to 2018

Operating revenues are the charges for services offered by the District. During 2019, the District generated \$70.1 million of operating revenue, a decrease of \$402,000 or less than 1%.

- Student fees decreased by \$894,000 or 2.7%. There was a decline in overall enrollment and an increase in scholarship allowances that account for the overall decrease.
- Federal grants increased by \$209,000 or 1.1%.
- State grants increased by \$109,000 or 2.4%.
- Contract revenue increased by \$285,000 or 11.4%. Employers in the District continue to seek professional development and training for their employees.
- Auxiliary revenues decreased by \$162,000 or 1.8%.

Operating expenses are costs related to offering the programs of the District. During 2019, total operating expenses were \$218.6 million, an increase of \$7.5 million or 3.5%.

- Instructional expenses increased by \$1.6 million or 1.5%. There was a new compensation plan for part-time faculty implemented in 2019 and an increase in compensation of 3% overall that would more than offset an expected decrease due to a slight enrollment decrease. The same holds true for instructional resources with an increase of \$674,000 or 8.1%.
- Student services expenditures decreased by \$928,000 or 5.9%, which also aligns with the trend in enrollments.
- General Institutional expenditures decreased by \$2.1 million or 13.8%.
- There was an increase in physical plant expenses of \$5.5 million or 25.9%. The District has completed the construction of the new Goodman South Campus. As a result, these expenditures were higher than normal for both fiscal years 2018 and 2019.
- Auxiliary enterprise services expenditures increased by \$1.4 million or 13.2%.
- Depreciation increased by \$1.4 million or 6.7%.
- Student aid decreased by \$195,000 or 2.0%.

Non-operating revenue are items not directly related to providing instruction. During 2019, the District generated \$158.7 million of non-operating revenue, a decrease of \$5.7 million or 3.5%.

- Property taxes increased by \$2.8 million or 3.7%.
- State appropriations increased slightly by \$561,000 or less than 1%.
- Investment income increased by \$858,000 or 75.2%. Interest rates increased most of 2019 while our cost of borrowing remains rather stable. We predict this will change in the next year.
- The real significant decrease is due to gifts and donations received for the construction of a new metro campus located just south of Madison. The campaign ended in 2018 so there was a significant decline of \$9.9 million or 63.1% compared to last fiscal year.

Non-operating expenses are items not directly related to providing instruction. During 2019, total non-operating expenses for the District were \$12.6 million, an increase of \$8.8 million or 235.3%.

- The losses reported on the disposal of capital assets increased by \$8.2 million compared to last year. Much of this is due to the sale of the downtown campus. A number of remodel projects were not fully depreciated resulting in the expected loss.
- Interest expense increased by \$638,000 or 17.1%. This increase is mainly due to the amortization of the refunding loss from the advanced refunding of notes in 2018.

Fiscal Year 2018 Compared to 2017

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

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

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

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

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

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

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

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

Capital Asset and Debt Administration

The District's investment in capital assets as of June 30, 2019 and 2018, net of accumulated depreciation, amounted to \$274.0 million and \$256.5 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 \$165.7 million. The balance at the end of June 30, 2018 was \$166.8 million. The District's bonds and notes continue to maintain a Standard & Poor's AAA rating, and the District continues to meet all of its debt service requirements. All general obligation debt is repaid over the life of the assets acquired with debt proceeds. The current debt adequately replaces and expands the equipment and facility needs of the District. Additional information on the District's long-term debt can be found in Note D of the financial statements.

Gifts/Donations

Construction of the Goodman South Campus was completed in August 2019. Classes began in September of 2019. This was accomplished through generous gifts and donations from various organizations, companies and the people of the community. Most of the expenditures were made during fiscal year 2019 with final expenditures made during the early part of fiscal year 2020 for completion of the 75,000 square-foot campus. The South Campus initiative aims to increase access of South Madison residents to Madison College, work with community leaders to better assess educational and training gaps and offer affordable programs and classes that fill those gaps. This initiative has been met with extremely favorable responses throughout the community.

Contacting the District's Financial Management

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

MADISON AREA TECHNICAL COLLEGE DISTRICT
STATEMENTS OF NET POSITION
As of June 30, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|--|------------------------------|------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 45,431,278 | \$ 46,020,255 |
| Restricted cash and cash equivalents | 8,435,764 | 14,134,874 |
| Restricted investments | 20,842,463 | 28,251,090 |
| Accounts receivable | 2,682,738 | 2,697,312 |
| Property taxes receivable | 19,016,784 | 17,807,120 |
| Federal and state aid receivable | 1,839,399 | 1,817,103 |
| Student fee receivable, less allowance of \$4,570,000 for 2019 and \$4,675,000 for 2018 | 19,346,608 | 18,807,269 |
| Inventories | 1,035,333 | 639,117 |
| Prepaid items | 530,081 | 997,039 |
| Total current assets | <u>119,160,448</u> | <u>131,171,179</u> |
| Non-current Assets | | |
| Net pension asset | - | 19,199,954 |
| Land | 7,589,891 | 7,589,891 |
| Construction in progress | 21,203,810 | 7,334,078 |
| Other capital assets | 431,072,201 | 428,848,561 |
| Less accumulated depreciation | <u>(185,895,804)</u> | <u>(187,223,152)</u> |
| Total non-current assets | <u>273,970,098</u> | <u>275,749,332</u> |
| TOTAL ASSETS | <u>393,130,546</u> | <u>406,920,511</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows of resources related to pensions | 58,936,051 | 32,026,576 |
| Deferred outflows of resources related to OPEB | 3,064,388 | 1,866,202 |
| Refunding loss | <u>4,165,352</u> | <u>4,527,557</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>66,165,791</u> | <u>38,420,335</u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable | 8,787,707 | 7,355,990 |
| Accrued payroll and other accrued liabilities | 3,280,903 | 4,006,317 |
| Accrued interest | 1,749,567 | 1,735,062 |
| Unearned program and material fees | 17,289,722 | 16,501,883 |
| Due to other organizations | 2,213,197 | 2,037,371 |
| Current portion of compensated absences | 7,077,437 | 6,675,582 |
| Current portion of long-term obligations | <u>21,163,831</u> | <u>20,909,059</u> |
| Total current liabilities | <u>61,562,364</u> | <u>59,221,264</u> |
| Long-term Liabilities | | |
| Compensated absences | 6,922,541 | 8,108,174 |
| General obligation debt | 156,846,173 | 158,931,161 |
| Capital lease | 32,227 | 36,058 |
| Net pension liability | 22,926,533 | - |
| Net OPEB liability | <u>21,655,475</u> | <u>24,052,512</u> |
| Total long-term liabilities | <u>208,382,949</u> | <u>191,127,905</u> |
| TOTAL LIABILITIES | <u>269,945,313</u> | <u>250,349,169</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows of resources related to pensions | 31,622,228 | 37,838,154 |
| Deferred inflows of resources related to OPEB | <u>3,511,171</u> | <u>496,638</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>35,133,399</u> | <u>38,334,792</u> |
| NET POSITION | | |
| Net investment in capital assets | 127,549,799 | 113,911,774 |
| Restricted for capital acquisitions | - | 9,849,335 |
| Restricted for debt service | 3,450,698 | 3,057,209 |
| Restricted for net pension asset | - | 19,199,954 |
| Unrestricted | <u>23,217,128</u> | <u>10,638,613</u> |
| TOTAL NET POSITION | <u>\$ 154,217,625</u> | <u>\$ 156,656,885</u> |

The accompanying notes are an integral part of these statements.

MADISON AREA TECHNICAL COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|---|-----------------------|-----------------------|
| Operating revenues | | |
| Student program fees, net of scholarship allowances of \$5,838,460 and \$5,480,720 for 2019 and 2018, respectively | \$ 29,059,402 | \$ 29,928,213 |
| Student material fees, net of scholarship allowances of \$222,739 and \$213,535 for 2019 and 2018, respectively | 1,131,737 | 1,281,266 |
| Other student fees, net of scholarship allowances of \$688,466 and \$776,489 for 2019 and 2018, respectively | 2,309,648 | 2,184,923 |
| Federal grants | 19,724,619 | 19,515,611 |
| State grants | 4,591,351 | 4,482,074 |
| Business and industry contract revenue | 2,630,612 | 2,361,112 |
| School district contract revenue | 145,765 | 130,288 |
| Auxiliary enterprise revenues | 8,773,951 | 8,936,361 |
| Cost reimbursements | 78,243 | 84,196 |
| Miscellaneous | 1,658,358 | 1,601,715 |
| Total operating revenues | <u>70,103,686</u> | <u>70,505,759</u> |
| Operating expenses | | |
| Instruction | 110,929,832 | 109,283,605 |
| Instructional resources | 9,050,430 | 8,375,947 |
| Student services | 14,737,685 | 15,665,290 |
| General institutional | 12,932,027 | 15,010,440 |
| Physical plant | 26,775,708 | 21,266,611 |
| Public service | 469,556 | 415,723 |
| Auxiliary enterprise services | 11,952,149 | 10,557,217 |
| Depreciation | 22,132,771 | 20,735,136 |
| Student aid | 9,654,314 | 9,848,889 |
| Total operating expenses | <u>218,634,472</u> | <u>211,158,858</u> |
| Operating loss | <u>(148,530,786)</u> | <u>(140,653,099)</u> |
| Non-operating revenues (expenses) | | |
| Property taxes | 77,764,670 | 74,990,662 |
| State appropriations | 73,147,052 | 72,586,126 |
| Gifts, grants and bequests | 5,784,420 | 15,688,206 |
| Gain (loss) on disposal of capital assets | (8,234,206) | (27,035) |
| Investment income earned | 1,999,259 | 1,141,119 |
| Interest expense | (4,369,669) | (3,731,754) |
| Total non-operating revenues | <u>146,091,526</u> | <u>160,647,324</u> |
| CHANGE IN NET POSITION | (2,439,260) | 19,994,225 |
| Net position - beginning of the year as previously reported | <u>156,656,885</u> | <u>157,632,273</u> |
| Prior period adjustment | - | (20,969,613) |
| Net position - beginning of the year, restated | <u>156,656,885</u> | <u>136,662,660</u> |
| Net position - end of the year | <u>\$ 154,217,625</u> | <u>\$ 156,656,885</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, 2019 and 2018**

| | <u>2019</u> | <u>2018</u> |
|--|----------------------|----------------------|
| Cash flows from operating activities | | |
| Tuition and fees received | \$ 32,763,861 | \$ 33,852,835 |
| Federal and state grants received | 24,293,674 | 24,029,469 |
| Business, industry and school district contract revenues received | 2,776,377 | 2,491,400 |
| Payments to employees including related benefits | (138,211,634) | (145,424,237) |
| Payments to suppliers | (50,985,891) | (47,548,197) |
| Auxiliary enterprise revenues received | 8,773,951 | 8,936,361 |
| Other receipts | <u>1,736,601</u> | <u>1,685,911</u> |
| Net cash used in operating activities | <u>(118,853,061)</u> | <u>(121,976,458)</u> |
| Cash flows from noncapital financing activities | | |
| Local property taxes received | 76,555,006 | 75,175,176 |
| State appropriations received | 73,147,052 | 72,586,126 |
| Gifts, grants and bequests | <u>5,784,420</u> | <u>15,688,206</u> |
| Net cash provided by noncapital financing activities | <u>155,486,478</u> | <u>163,449,508</u> |
| Cash flows from capital and related financing activities | | |
| Purchases of capital assets | (46,640,009) | (27,512,722) |
| Proceeds on disposal of capital assets | 137,625 | - |
| Premium on issuance of capital debt | 1,010,351 | 215,462 |
| Premium on issuance of refunding debt | - | 6,000,274 |
| Proceeds from issuance of capital debt | 28,000,000 | 25,000,000 |
| Proceeds from issuance of refunding debt | - | 53,120,000 |
| Payments to escrow | - | (57,512,557) |
| Principal paid on capital debt | (29,109,059) | (29,509,300) |
| Interest paid on capital debt | <u>(5,728,298)</u> | <u>(5,437,988)</u> |
| Net cash used in capital and related financing activities | <u>(52,329,390)</u> | <u>(35,636,831)</u> |
| Cash flows from investing activities | | |
| Investment income received | 1,999,259 | 1,141,119 |
| Purchase of investments | (5,569,885) | (17,156,380) |
| Proceeds on sale of investments | <u>12,978,512</u> | <u>11,249,828</u> |
| Net cash provided by (used in) investing activities | <u>9,407,886</u> | <u>(4,765,433)</u> |
| Net increase (decrease) in cash and cash equivalents | (6,288,087) | 1,070,786 |
| Cash and cash equivalents at beginning of year | <u>60,155,129</u> | <u>59,084,343</u> |
| Cash and cash equivalents at end of year | <u>\$ 53,867,042</u> | <u>\$ 60,155,129</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, 2019 and 2018**

| | <u>2019</u> | <u>2018</u> |
|--|-------------------------|-------------------------|
| Reconciliation of operating loss to net cash used in operating activities | | |
| Operating loss | \$ (148,530,786) | \$ (140,653,099) |
| Adjustments to reconcile operating loss to net cash used in operating activities | | |
| Depreciation | 22,132,771 | 20,735,136 |
| Changes in assets and liabilities: | | |
| Accounts receivable | 14,574 | 194,817 |
| Federal and state aid receivable | (22,296) | 31,784 |
| Student fee receivable | (539,339) | (13,690,512) |
| Inventories | (396,216) | 175,636 |
| Prepaid items | 466,958 | 654,975 |
| Accounts payable | 146,404 | 718,395 |
| Accrued payroll | (725,414) | (5,480,911) |
| Unearned program and material fees | 787,839 | 13,954,128 |
| Due to other organizations | 175,826 | 121,752 |
| Accrued compensated absences | (783,778) | (1,388,660) |
| Pension benefits | 42,126,487 | (24,533,456) |
| Deferred outflows of resources related to pensions | (26,909,475) | 11,293,399 |
| Deferred outflows of resources related to OPEB | (6,215,926) | 15,739,111 |
| Other postemployment benefits | (2,397,037) | 1,520,611 |
| Deferred inflows of resources related to pensions | (1,198,186) | (1,866,202) |
| Deferred inflows of resources related to OPEB | <u>3,014,533</u> | <u>496,638</u> |
| Net cash used in operating activities | <u>\$ (118,853,061)</u> | <u>\$ (121,976,458)</u> |
| Reconciliation of cash and cash equivalents to the Statement of Net Position | | |
| Unrestricted cash and cash equivalents | \$ 45,431,278 | \$ 46,020,255 |
| Restricted cash and cash equivalents | <u>8,435,764</u> | <u>14,134,874</u> |
| | <u>\$ 53,867,042</u> | <u>\$ 60,155,129</u> |
| Supplemental disclosure of non-cash investing and financing activities | | |
| Interest charged to construction | \$ - | \$ 15,018 |
| Bond issuance costs paid by underwriter | \$ 261,098 | \$ 215,462 |
| Construction in progress reported in accounts payable | \$ 4,890,554 | \$ 3,605,241 |

The accompanying notes are an integral part of these statements.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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. In addition, the Board also has a non-voting student representative who is elected by the students. The District Board powers are established under the provisions of Chapter 38 of the Wisconsin Statutes and include:

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

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

Reporting Entity

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

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Basis of Accounting and Financial Statement Presentation

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

Use of Estimates

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

Cash and Cash Equivalents

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

Investments

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

The Wisconsin Investment Series Cooperative (WISC) was created in 1988 and is a comprehensive cash management program exclusively for Wisconsin school districts, technical college districts, municipalities, and other public entities. An investment in the fund represents an undivided beneficial ownership interest in the assets of WISC and the securities and instruments in which the assets of WISC are invested. WISC was established pursuant to an Intergovernmental Cooperation Agreement under the Wisconsin intergovernmental cooperation statute, Wisconsin Statutes, Section 66.0301. WISC is governed by a commission (the "Commission") in accordance with the terms of the Intergovernmental Cooperation Agreement. The Commission has full power, control and authority (including delegative authority) over the affairs, investments and assets of the fund. WISC currently consists of the Cash Management Series, the Investment Series and the Limited Duration Series (LTD).

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The WISC Multi-class Series currently meet all of the necessary criteria to elect to measure all of the investments in the Series at amortized cost. WISC Limited Term Duration (LTD) series measures its investments at fair value. The WISC investment pools are exempt from the GASB 72 fair value hierarchy disclosures. At June 30, 2019 and 2018, 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, 2019 and 2018, the fair value of the District's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

Inventories

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

Capital Assets

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

The District early adopted GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period* as part of the District's financial statements as of June 30, 2019. Interest costs incurred before the end of a construction period is recognized as an expense in the period in which the cost is incurred, and such interest cost will not be capitalized as part of the historical cost of a capital asset.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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 2019 and 2018 tax levies were as follows:

| | Fiscal Year ending June 30, 2019 | |
|----------------------------|---|---------------|
| | 2019 | 2018 |
| | | |
| Mill rate for operations | 0.50348 | 0.51343 |
| Operational levy | \$ 42,740,697 | \$ 40,868,408 |
| Mill rate for debt service | 0.40612 | 0.42836 |
| Debt Service levy | \$ 34,475,752 | \$ 34,096,938 |
| Total mill rate | 0.90960 | 0.94179 |
| Total tax levy | \$ 77,216,449 | \$ 74,965,346 |

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accumulated Unpaid Vacation, Sick Leave and Other Employee Benefit Amounts

Vacation

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

Pensions

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

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

Sick Leave

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

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

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

Special Pay Deferral Plan

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Health Reimbursement Arrangement

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

Other Postemployment Benefits (OPEB) Retiree Health Insurance

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

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 (Arise, WPS or GHC) to be paid for until the retiree reaches age 65 or qualifies for Medicare, whichever is earlier.

Other Postemployment Benefits (OPEB) Retiree Life Insurance

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

Fees and Tuition

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

State and Federal Revenues

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Federal Financial Assistance Programs

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

Scholarship Allowances and Student Aid

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

Classification of Revenue and Expense

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

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

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

Net Position

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

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Restricted net position for capital acquisitions. This represents resources that can only be used to acquire capital assets related to the construction of a new campus as they are donor-restricted gifts.

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

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

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

GASB Implementations

The District feels it is important to note that it has adopted the following statements for fiscal year 2019:

GASB Statement No. 88 – Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. This was not applicable to our District.

GASB Statement No. 89 – Account for Interest Cost Incurred Before the End of a Construction Period. All interest incurred before the end of a construction period was recognized as an expense in the period in which the cost incurred.

Pending Pronouncements

The following GASB pronouncements have been issued but not yet implemented by the District:

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The standard establishes criteria for identifying fiduciary activities of all state and local governments to determine whether an activity should be reported in a fiduciary fund in the financial statements. The Statement establishes criteria for identifying fiduciary activities of the state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria include identifying fiduciary component units and postemployment benefits arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This statement is effective for fiscal periods beginning after December 15, 2018. The District is currently in the process of evaluating the impact of GASB Statement No. 84 on its financial statements.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is in effect for fiscal years beginning after December 15, 2019. The District is currently in the process of evaluating the impact of GASB Statement No. 87 on its financial statements.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in cash flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The District has evaluated this statement, and the District anticipates that it will have no impact on the financial statements.

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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>2019</u> | <u>2018</u> |
|---|----------------------|----------------------|
| Cash and cash equivalents | | |
| Petty cash funds | \$ 18,127 | \$ 20,052 |
| Cash in bank | 17,380,610 | 23,292,360 |
| Wisconsin Local Government Investment Pool (LGIP) | 740,780 | 823,118 |
| Wisconsin Investment Series Cooperative - Cash Management Series | <u>35,727,525</u> | <u>36,019,599</u> |
| Cash and cash equivalents sub-total | 53,867,042 | 60,155,129 |
| Investments | | |
| Limited Term Duration Investment | 15,711,463 | 15,272,578 |
| Certificates of Deposit | 5,131,000 | 10,981,500 |
| US Treasury Notes | - | 1,997,012 |
| Investment sub-total | <u>20,842,463</u> | <u>28,251,090</u> |
| Total cash, cash equivalents and investments | <u>\$ 74,709,505</u> | <u>\$ 88,406,219</u> |

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

| | <u>2019</u> | <u>2018</u> |
|--|----------------------|----------------------|
| Current assets | | |
| Unrestricted cash and cash equivalents | \$ 45,431,278 | \$ 46,020,255 |
| Restricted cash and cash equivalents | 8,435,764 | 14,134,874 |
| Restricted investments | <u>20,842,463</u> | <u>28,251,090</u> |
| Total cash, cash equivalents and investments | <u>\$ 74,709,505</u> | <u>\$ 88,406,219</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, 2019 and 2018, the District had cash bank balances of \$17.4 and \$23.3 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, 2019 AND 2018**

NOTE B - 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 seeks to invest in Wisconsin banks and other local investments to further support the local economy.

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

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

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE B - 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, 2019 and 2018, the District had no 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 has the following recurring fair value measures as of June 30, 2019 and 2018, respectively:

- U.S Treasury Notes of \$0 and \$1,997,012 which are valued using a matrix pricing model (level 2 inputs).

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

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

| | <u>2019</u> | <u>2018</u> |
|---|---------------------------------|---------------------------------|
| Restricted for: | | |
| Debt service | \$ 5,200,265 | \$ 4,792,271 |
| Capital projects | <u>24,077,962</u> | <u>37,593,693</u> |
| Total restricted | 29,278,227 | 42,385,964 |
| Unrestricted | <u>45,431,278</u> | <u>46,020,255</u> |
| Total cash and cash equivalents and investments | <u><u>\$ 74,709,505</u></u> | <u><u>\$ 88,406,219</u></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, 2019 AND 2018**

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows for the year ended June 30, 2019:

| | 2019 | | | Ending Balance |
|---|------------------------------|----------------------|----------------------|---------------------------|
| | Beginning Balance | Additions | Deletions | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 7,589,891 | \$ - | \$ - | \$ 7,589,891 |
| Construction in progress | 7,334,078 | 18,876,017 | 5,006,285 | 21,203,810 |
| Total capital assets, not being depreciated | <u>14,923,969</u> | <u>18,876,017</u> | <u>5,006,285</u> | <u>28,793,701</u> |
| Capital assets, being depreciated | | | | |
| Land improvements | 11,341,142 | 1,270,016 | 531,071 | 12,080,087 |
| Building improvements | 292,437,889 | 8,402,387 | 17,035,621 | 283,804,655 |
| Equipment | 125,069,530 | 24,383,187 | 14,265,258 | 135,187,459 |
| Total capital assets, being depreciated | <u>428,848,561</u> | <u>34,055,590</u> | <u>31,831,950</u> | <u>431,072,201</u> |
| Less accumulated depreciation for | | | | |
| Land improvements | 5,280,773 | 332,619 | 487,993 | 5,125,399 |
| Building improvements | 89,741,202 | 7,429,702 | 9,074,078 | 88,096,826 |
| Equipment | 92,201,177 | 14,370,450 | 13,898,048 | 92,673,579 |
| Total accumulated depreciation | <u>187,223,152</u> | <u>22,132,771</u> | <u>23,460,119</u> | <u>185,895,804</u> |
| Total capital assets, being depreciated, net | <u>241,625,409</u> | <u>11,922,819</u> | <u>8,371,831</u> | <u>245,176,397</u> |
| Net capital assets | 256,549,378 | <u>\$ 30,798,836</u> | <u>\$ 13,378,116</u> | 273,970,098 |
| Less general obligation debt | (166,755,000) | | | (165,650,000) |
| Less capital lease | (40,117) | | | (36,058) |
| Plus unexpended debt proceeds included in general obligation debt | <u>24,157,513</u> | | | <u>19,265,759</u> |
| Total invested in capital assets, net of related debt | <u>\$ 113,911,774</u> | | | <u>\$ 127,549,799</u> |

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE C - CAPITAL ASSETS (continued)

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

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE D - LONG TERM LIABILITIES

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

The changes in long-term liabilities are as follows:

| | <u>June 30, 2018</u> | <u>Additions</u> | <u>Payments</u> | <u>June 30, 2019</u> | <u>Due Within One Year</u> |
|---------------------------------------|-----------------------|----------------------|----------------------|-----------------------|--------------------------------|
| Notes and bonds payable | \$ 166,755,000 | \$ 28,000,000 | \$ 29,105,000 | \$ 165,650,000 | \$21,160,000 |
| Capital lease | 40,117 | - | 4,059 | 36,058 | 3,831 |
| Compensated absences | 14,783,756 | 5,891,804 | 6,675,582 | 13,999,978 | 7,077,437 |
| Other postemployment benefits | 24,052,512 | - | 2,397,037 | 21,655,475 | - |
| Net pension liability | - | 22,926,533 | - | 22,926,533 | - |
| Premium on notes and bonds payable | 13,081,161 | 1,010,351 | 1,735,339 | 12,356,173 | - |
| | <u>\$ 218,712,546</u> | <u>\$ 57,828,688</u> | <u>\$ 39,917,017</u> | <u>\$ 236,624,217</u> | <u>\$28,241,268</u> |

| | <u>June 30, 2017</u> | <u>Additions</u> | <u>Payments</u> | <u>June 30, 2018</u> | <u>Due Within One Year</u> |
|---------------------------------------|-----------------------|----------------------|----------------------|-----------------------|--------------------------------|
| Notes and bonds payable | \$ 171,125,000 | \$ 78,120,000 | \$ 82,490,000 | \$ 166,755,000 | \$20,905,000 |
| Capital lease | 44,417 | - | 4,300 | 40,117 | 4,059 |
| Compensated absences | 16,172,416 | 5,481,147 | 6,869,807 | 14,783,756 | 6,675,582 |
| Other postemployment benefits | 1,562,288 | 24,020,868 | 1,530,644 | 24,052,512 | - |
| Net pension liability | 5,333,502 | - | 5,333,502 | - | - |
| Premium on notes and bonds payable | 8,368,585 | 6,215,736 | 1,503,160 | 13,081,161 | - |
| | <u>\$ 202,606,208</u> | <u>\$113,837,751</u> | <u>\$ 97,731,413</u> | <u>\$ 218,712,546</u> | <u>\$27,584,641</u> |

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, 2019 AND 2018**

NOTE D - LONG TERM LIABILITIES (continued)

The debt obligations of the District at June 30, 2019 and 2018 are as follows:

| | <u>Buyer</u> | <u>2019</u> | <u>2018</u> |
|---|--|---------------------|---------------------|
| Series 2010-11A Bond | | | |
| <p>\$12,100,000 general obligation school improvements bonds issued March 2, 2011 with interest at 2.50 to 3.50% payable semiannually in March and September; payments are varying amounts are due on March 1 of each year until maturity on March 1, 2021. Proceeds used to acquire and improve sites; constructing new buildings and facilities; adding to, upgrading, remodeling, and improving existing buildings, and acquiring furnishings, fixtures and equipment.</p> | <p>M&I Marshall and Ilsley and Stern, Agee & Leach</p> | <p>\$ 2,820,000</p> | <p>\$ 4,155,000</p> |
| Series 2010-11B Bond | | | |
| <p>\$41,500,000 general obligation school improvements bonds issued May 2, 2011 with interest at 2.00 to 5.00% payable semiannually in March and September; payments of varying amounts are due on March 1 of each year. Proceeds used to acquire and improve sites; constructing new buildings and facilities; adding to, upgrading, remodeling, and improving existing buildings, and acquiring furnishings, fixtures and equipment. Portion of this bond was refinanced with Series 2017 Bonds on December 21, 2017. Remaining debt on this bond matures March 1, 2021.</p> | <p>Piper Jaffray</p> | <p>3,570,000</p> | <p>5,255,000</p> |
| Series 2011-12A Bond | | | |
| <p>\$57,100,000 general obligation school improvements bonds issued July 1, 2011 with interest at 3.00 to 4.50% payable semiannually in March and in September; payments of varying amounts are due on March 1 of each year. Proceeds used to acquire and improve sites; constructing new buildings and facilities; adding to, upgrading, remodeling, and improving existing buildings, and acquiring furnishings, fixtures and equipment. Portion of this bond was refinanced with Series 2017 Bonds on December 21, 2017. Remaining debt on this bond matures on March 1, 2021.</p> | <p>Citi</p> | <p>5,105,000</p> | <p>8,765,000</p> |
| Series 2011-12A Note | | | |
| <p>\$7,050,000 general obligation promissory note payable issued August 24, 2011 with interest at 2.00 to 2.50% payable semiannually in March and September; principal payments of varying amounts are due on March 1 of each year until maturity on March 1, 2020. Proceeds used to acquire moveable equipment.</p> | <p>Bosc, Inc.</p> | <p>340,000</p> | <p>680,000</p> |
| Series 2011-12B Note | | | |
| <p>\$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 of 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> | <p>Piper Jaffray</p> | <p>1,000,000</p> | <p>1,500,000</p> |

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE D - LONG TERM LIABILITIES (continued)

Series 2011-12C Note

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

| <u>Buyer</u> | <u>2019</u> | <u>2018</u> |
|-----------------------|-------------|-------------|
| Robert W. Baird & Co. | \$ - | \$ 90,000 |

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 of varying amounts are due on March 1 of each year until maturity on March 1, 2021. Proceeds used to improve sites and acquire moveable equipment.

| | | |
|-----------------------------------|---------|-----------|
| Hutchinson, Shockey, Erley, & Co. | 750,000 | 1,000,000 |
|-----------------------------------|---------|-----------|

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 of varying amounts are due on March 1 of each year until maturity on March 1, 2022. Proceeds used to remodel buildings and improvements and acquire moveable equipment.

| | | |
|------------------------|-----------|-----------|
| Janney Capital Markets | 1,500,000 | 2,790,000 |
|------------------------|-----------|-----------|

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 of varying amounts are due on March 1 of each year until maturity on March 1, 2033. Proceeds used to acquire and improve sites; constructing new buildings and facilities; adding to, upgrading, remodeling, and improving existing buildings, and acquiring furnishings, fixtures and equipment.

| | | |
|---------------|------------|------------|
| Piper Jaffray | 11,255,000 | 11,495,000 |
|---------------|------------|------------|

Series 2013-14A Note

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

| | | |
|---------------------|-----------|-----------|
| BMO Capital Markets | 1,220,000 | 1,500,000 |
|---------------------|-----------|-----------|

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 of 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.

| | | |
|---------------|-----------|-----------|
| Piper Jaffray | 1,500,000 | 2,735,000 |
|---------------|-----------|-----------|

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE D - LONG TERM LIABILITIES (continued)

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 of 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.

| <u>Buyer</u> | <u>2019</u> | | <u>2018</u> |
|---|--------------|----|-------------|
| Hutchinson, Shockey, Erley, & Co. | \$ 1,295,000 | \$ | 1,535,000 |

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 of varying amounts are due on March 1 of each year until maturity on March 1, 2024. Proceeds used to acquire moveable equipment.

| | | | |
|-----------------------------------|-----------|--|-----------|
| Janney Montgomery Scott LLC | 3,405,000 | | 4,030,000 |
|-----------------------------------|-----------|--|-----------|

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 of 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.

| | | | |
|-----------------------------------|-----------|--|-----------|
| Janney Montgomery Scott LLC | 5,690,000 | | 6,750,000 |
|-----------------------------------|-----------|--|-----------|

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 of varying amounts are due on March 1 of each year until maturity on March 1, 2033. Proceeds used to acquire and improve sites; constructing new buildings and facilities; adding to, upgrading, remodeling, and improving existing buildings, and acquiring furnishings, fixtures and equipment.

| | | | |
|---------------|-----------|--|-----------|
| Piper Jaffray | 8,625,000 | | 9,105,000 |
|---------------|-----------|--|-----------|

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 of 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.

| | | | |
|-----------------------------|-----------|--|-----------|
| Fidelity Capital Markets | 1,055,000 | | 2,090,000 |
|-----------------------------|-----------|--|-----------|

Series 2015-16C Note

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

| | | | |
|----------------------------------|-----------|--|-----------|
| FTN Financial Capital Markets | 1,590,000 | | 3,150,000 |
|----------------------------------|-----------|--|-----------|

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE D - LONG TERM LIABILITIES (continued)

Series 2015-16D Note

\$4,150,000 general obligation promissory note payable issued February 25, 2016 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments of 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.

| <u>Buyer</u> | <u>2019</u> | <u>2018</u> |
|--------------------------|--------------|--------------|
| Fidelity Capital Markets | \$ 2,795,000 | \$ 4,150,000 |

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 of varying amounts are due on March 1 of each year until maturity on March 1, 2024. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

| | | |
|--------------------------|-----------|-----------|
| Fidelity Capital Markets | 4,100,000 | 4,100,000 |
|--------------------------|-----------|-----------|

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 of varying amounts are due on March 1 of each year until maturity on March 1, 2025. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

| | | |
|---------------|-----------|-----------|
| Piper Jaffray | 4,100,000 | 4,100,000 |
|---------------|-----------|-----------|

Series 2016-17C Note

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

| | | |
|--------------------------|-----------|-----------|
| Fidelity Capital Markets | 3,210,000 | 4,235,000 |
|--------------------------|-----------|-----------|

Series 2016-17D Note

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

| | | |
|---------------|-----------|-----------|
| Piper Jaffray | 3,215,000 | 4,235,000 |
|---------------|-----------|-----------|

Series 2016-17E Note

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

| | | |
|-----------------------------------|-----------|-----------|
| Hutchinson, Shockey, Erley, & Co. | 4,235,000 | 4,235,000 |
|-----------------------------------|-----------|-----------|

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE D - LONG TERM LIABILITIES (continued)

Series 2016-17F Note

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

| <u>Buyer</u> | <u>2019</u> | <u>2018</u> |
|----------------------------------|--------------|--------------|
| FTN Financial Capital Markets | \$ 4,225,000 | \$ 4,225,000 |

Series 2017-18A Note

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

| | | |
|--------------------------|-----------|-----------|
| Robert W. Baird & Co. | 1,000,000 | 2,000,000 |
|--------------------------|-----------|-----------|

Series 2017-18B Note

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

| | | |
|--------------------------|-----------|-----------|
| Robert W. Baird & Co. | 7,850,000 | 8,450,000 |
|--------------------------|-----------|-----------|

Series 2017 Bonds

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

| | | |
|----------------------------------|------------|------------|
| Bank of America Merrill Lynch | 52,140,000 | 52,140,000 |
|----------------------------------|------------|------------|

Series 2017-18C Note

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

| | | |
|--------------------------|-----------|-----------|
| Robert W. Baird & Co. | 8,260,000 | 8,260,000 |
|--------------------------|-----------|-----------|

Series 2018-19A Note

\$5,600,000 general obligation promissory note payable issued July 26, 2018 with interest at 4.00% payable semiannually in March and September; principal payments of 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 and site improvements.

| | | |
|-----------------------------------|-----------|---|
| BOK Financial Securities, Inc. | 1,500,000 | - |
|-----------------------------------|-----------|---|

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE D - LONG TERM LIABILITIES (continued)

Series 2018-19B Note

\$5,600,000 general obligation promissory note payable issued September 26, 2018 with interest at 4.00% payable semiannually in March and September; principal payments of 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.

| <u>Buyer</u> | <u>2019</u> | <u>2018</u> |
|---|--------------|-------------|
| Hutchinson, Shockey, Erley, & Co. | \$ 1,500,000 | \$ - |

Series 2018-19C Note

\$5,600,000 general obligation promissory note payable issued November 27, 2018 with interest at 3.00 to 5.00% payable semiannually in March and September; principal payments of 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.

| | | |
|-------------------------------|-----------|---|
| J.P. Morgan Securities LLC | 5,600,000 | - |
|-------------------------------|-----------|---|

Series 2018-19D Note

\$5,600,000 general obligation promissory note payable issued March 27, 2019 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments of varying amounts are due on March 1 of each year until maturity on March 1, 2026. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

| | | |
|--------------------------------|-----------|---|
| UBS Financial Services Inc. | 5,600,000 | - |
|--------------------------------|-----------|---|

Series 2018-19E Note

\$5,600,000 general obligation promissory note payable issued May 22, 2019 with interest at 2.00 to 3.00% payable semiannually in March and September; principal payments of varying amounts are due on March 1 of each year until maturity on March 1, 2028. Proceeds used to remodel buildings and improvement projects and acquire moveable equipment.

| | | |
|--------------------------|------------------|----------|
| Robert W. Baird & Co. | <u>5,600,000</u> | <u>-</u> |
|--------------------------|------------------|----------|

Total General Obligation Debt

| | |
|-----------------------|-----------------------|
| <u>\$ 165,650,000</u> | <u>\$ 166,755,000</u> |
|-----------------------|-----------------------|

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE D - LONG TERM LIABILITIES (continued)

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

| | Notes/Bonds | | | Capital Lease | | |
|--------------------------|-----------------------|----------------------|-----------------------|------------------|-------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Subtotal</u> | <u>Principal</u> | <u>Interest</u> | <u>Subtotal</u> |
| Years Ending June 30 | | | | | | |
| 2020 | \$ 21,160,000 | \$ 5,408,492 | \$ 26,568,492 | \$ 3,831 | \$ 43,002 | \$ 46,833 |
| 2021 | 19,010,000 | 4,788,681 | 23,798,681 | 3,617 | 43,685 | 47,302 |
| 2022 | 16,880,000 | 4,220,381 | 21,100,381 | 3,414 | 44,361 | 47,775 |
| 2023 | 16,755,000 | 3,630,431 | 20,385,431 | 3,222 | 45,031 | 48,253 |
| 2024 | 16,650,000 | 3,083,156 | 19,733,156 | 3,042 | 45,693 | 48,735 |
| 2025-2029 (5 year total) | 55,670,000 | 8,517,344 | 64,187,344 | 12,833 | 238,251 | 251,084 |
| Thereafter | 19,525,000 | 1,282,738 | 20,807,738 | 6,099 | 150,658 | 156,757 |
| | <u>\$ 165,650,000</u> | <u>\$ 30,931,223</u> | <u>\$ 196,581,223</u> | <u>\$ 36,058</u> | <u>\$ 610,681</u> | <u>\$ 646,739</u> |

| | Total | | |
|--------------------------|-----------------------|----------------------|-----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Subtotal</u> |
| Years Ending June 30 | | | |
| 2020 | \$ 21,163,831 | \$ 5,451,493 | \$ 26,615,325 |
| 2021 | 19,013,617 | 4,832,367 | 23,845,983 |
| 2022 | 16,883,414 | 4,264,742 | 21,148,156 |
| 2023 | 16,758,222 | 3,675,462 | 20,433,684 |
| 2024 | 16,653,042 | 3,128,850 | 19,781,891 |
| 2025-2029 (5 year total) | 55,682,833 | 8,755,595 | 64,438,428 |
| Thereafter | 19,531,099 | 1,433,395 | 20,964,495 |
| | <u>\$ 165,686,058</u> | <u>\$ 31,541,904</u> | <u>\$ 197,227,962</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 2018-2019 was \$4,443,135,295; the aggregate indebtedness of the District for the same period was \$165,650,000. The 5% limit for 2017-2018 was \$4,185,102,362; the aggregate indebtedness of the District for the same period was \$166,755,000. Debt service funds of \$3,450,698 available on June 30, 2019 result in a margin of \$4,280,935,993. Debt service funds of \$3,057,209 available on June 30, 2018 result in a margin of \$4,021,404,571.

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 2018-2019 was \$1,777,254,118; the 2% limit for 2017-2018 was \$1,674,040,945. The District had bonded indebtedness of \$165,650,000 and \$166,755,000 for the years ending June 30, 2019 and June 30, 2018, respectively. Debt service funds of \$3,450,698 available on June 30, 2019 result in a margin of \$1,615,054,816. Debt service funds of \$3,057,209 available on June 30, 2018 result in a margin of \$1,510,343,154.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE D - LONG TERM LIABILITIES (continued)

Advanced Refunding

On December 21, 2017, General Obligation Bonds, totaling \$53,120,000 were issued with interest rates between 3.0-4.0% (the "Bonds"). Proceeds from the Bonds were used to partially refund the GO Bonds Series 2010-11B, and GO Bonds Series 2011-12A. This refunding resulted in an economic gain and a cash flow decrease. The economic gain realized using a 2.48% effective interest rate (the difference between the present values of the debt service payments on the old debt and the new debt) in this refunding was \$4,721,806. The decrease in cash flow from the refunding for the year ended June 30, 2018 is as follows:

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

NOTE E - PENSION

Plan description - The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE E – PENSION (continued)

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

The District may elect to make a one-time actuarial reduction contribution to WRS on behalf of an employee retiring at age 57 or after, which would allow the District employee to receive a retirement benefit that has not been actuarially reduced. Total actuarial reduction contributions paid for the years ended June 30, 2019 and 2018 were \$13,331 and \$61,375, respectively.

The WRS also provides death and disability benefits for employees.

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 |
|------|----------------------|--------------------------|
| 2008 | 6.6 | 0 |
| 2009 | (2.1) | (42) |
| 2010 | (1.3) | 22 |
| 2011 | (1.2) | 11 |
| 2012 | (7.0) | (7) |
| 2013 | (9.6) | 9 |
| 2014 | 4.7 | 25 |
| 2015 | 2.9 | 2 |
| 2016 | 0.5 | (5.0) |
| 2017 | 2.0 | 4.0 |
| 2018 | 2.4 | 17 |

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$6,534,019 in contributions from the employer. All District employees covered by the WRS fall under the General category.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE E – PENSION (continued)

Contribution rates as of June 30, 2019 are:

| Employee Category | Employee | Employer |
|------------------------------|-----------------|-----------------|
| General (including teachers) | 6.55% | 6.55% |

Contribution rates as of June 30, 2018 are:

| Employee Category | Employee | Employer |
|------------------------------|-----------------|-----------------|
| General (including teachers) | 6.70% | 6.70% |

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

At June 30, 2019, the District reported a liability (asset) of \$22,926,533 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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, 2018, the District's proportion was 0.6444%, which was a decrease of 0.0023% from its proportion measured as of December 31, 2017.

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

For the years ended June 30, 2019 and 2018, the District recognized pension expense of \$15,666,141 and \$8,523,967, respectively.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE E – PENSION (continued)

At June 30, 2019, 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 | \$17,856,297 | \$31,563,512 |
| Net differences between projected and actual earnings on pension plan investments | 33,482,630 | 0 |
| Changes in assumptions | 3,864,575 | 0 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 360,068 | 58,716 |
| Employer contributions subsequent to the measurement date | 3,372,481 | 0 |
| Total | \$58,936,051 | \$31,622,228 |

The \$3,372,481 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date is recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2020.

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

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

The \$3,255,087 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date is recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2019.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE E – PENSION (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| Year ended June 30: | Net Outflows/Inflows of Resources |
|---------------------|--------------------------------------|
| 2019 | \$8,752,459 |
| 2020 | 2,265,177 |
| 2021 | 3,760,410 |
| 2022 | 9,163,296 |

Actuarial assumptions. For the year ended June 30, 2019, the total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|--|--------------------------------|
| Actuarial Valuation Date: | December 31, 2017 |
| Measurement Date of Net Pension Liability (Asset): | December 31, 2018 |
| Actuarial Cost Method: | Entry Age |
| Asset Valuation Method: | Fair Market Value |
| Long-Term Expected Rate of Return: | 7.0% |
| Discount Rate: | 7.0% |
| Salary Increases: | |
| Inflation | 3.0% |
| Seniority/Merit | 0.1% - 5.6% |
| Mortality: | Wisconsin 2018 Mortality Table |
| Post-retirement Adjustments* | 1.9%* |

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE E – PENSION (continued)

For the year ended June 30, 2018, the total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE E - PENSION (continued)

For the year ended June 30, 2019:

| Asset Allocation Targets and Expected Returns As of December 31, 2018 | | | |
|---|---------------------------|--|---|
| <u>Core Fund Asset Class</u> | <u>Asset Allocation %</u> | <u>Long-Term Expected Nominal Rate of Return %</u> | <u>Long-Term Expected Real Rate of Return %</u> |
| Global Equities | 49 | 8.1 | 5.5 |
| Fixed Income | 24.5 | 4.0 | 1.5 |
| Inflation Sensitive Assets | 15.5 | 3.8 | 1.3 |
| Real Estate | 9 | 6.5 | 3.9 |
| Private Equity/Debt | 8 | 9.4 | 6.7 |
| Multi-Asset | 4 | 6.7 | 4.1 |
| Total Core Fund | 110 | 7.3 | 4.7 |
| <u>Variable Fund Asset Class</u> | | | |
| U.S. Equities | 70 | 7.6 | 5.0 |
| International Equities | 30 | 8.5 | 5.9 |
| Total Variable Fund | 100 | 8.0 | 5.4 |
| New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5% Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations | | | |

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE E - PENSION (continued)

For the year ended June 30, 2018:

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

Single Discount rate - A single discount rate of 7.00% was used to measure the total pension liability as opposed to a discount rate of 7.20% for the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE E - PENSION (continued)

Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate - The following tables present the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent and 7.20 percent for the years ended June 30, 2019 and 2018, respectively, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

For the year ended June 30, 2019:

| | 1% Decrease to Discount Rate (6.00%) | Current Discount Rate (7.00%) | 1% Increase To Discount Rate (8.00%) |
|---|---|--|---|
| District's proportionate share of the net pension liability (asset) | \$91,112,444 | \$22,926,533 | (\$27,774,980) |

For the year ended June 30, 2018:

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

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

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Health Insurance)

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

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

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

Employees covered by benefit terms. At June 30, 2019 and 2018, the following employees were covered by the benefit terms:

| | <u>2019</u> | <u>2018</u> |
|---|-------------|--------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 129 | 119 |
| Inactive employees entitled to but not yet receiving benefit payments | 0 | 0 |
| Active employees | <u>961</u> | <u>1,009</u> |
| Total | 1,090 | 1,128 |

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB. For the years ended June 30, 2019 and 2018, the valuation date is June 30, 2017, and the measurement date is June 30, 2018 and June 30, 2017, respectively. The measurement is the date as of which the total OPEB liability is determined.

The total OPEB liability for the years ended June 30, 2019 and 2018 of \$9,844,597 and \$10,560,026, respectively, was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions and was then projected forward to the measurement date.

For the years ended June 30, 2019 and 2018, the District recognized OPEB expense of (\$1,739,303) and (\$1,224,112), respectively.

OPEB Health Insurance Prior Period Adjustment. During the year ended June 30, 2018, a prior period adjustment was recognized to record the changes in reporting for GASB Statement No 74 and 75. \$10,528,382 of the prior period adjustment is due to the health insurance portion of other postemployment benefits.

At June 30, 2019, the District reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

| Deferred Inflows / Outflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differenced between expected and actual experience | \$ - | \$ - |
| Changes of assumptions | - | 351,886 |
| Contributions made subsequent to measurement date | 1,069,228 | - |
| Total | \$ 1,069,228 | \$ 351,886 |

The \$1,069,228 reported as deferred outflows related to OPEB resulting from employer's contributions subsequent to the measurement date is recognized as a reduction of the OPEB liability in the year ended June 30, 2020.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

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

| Deferred Inflows / Outflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differenced between expected and actual experience | \$ - | \$ - |
| Changes of assumptions | - | 306,532 |
| Contributions made subsequent to measurement date | - | - |
| Total | \$ - | \$ 306,532 |

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

| Year ending June 30: | Net Deferred Outflows/Inflows of Resources |
|----------------------|--|
| 2020 | \$ (100,319) |
| 2021 | (100,319) |
| 2022 | (100,319) |
| 2023 | (44,521) |
| 2024 | (6,408) |
| Thereafter | - |

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| Fiscal year | June 30, 2019 | June 30, 2018 |
|--------------------------------------|--|--|
| Valuation date | June 30, 2017 | June 30, 2017 |
| Measurement date | June 30, 2018 | June 30, 2017 |
| Discount rate | 3.87% | 3.58% |
| Healthcare cost trend | 4.00% - 6.50% | 4.00% - 6.50% |
| Salary increases including inflation | WRS, see actuarial assumptions for details | WRS, see actuarial assumptions for details |
| Mortality | WRS, see actuarial assumptions for details | WRS, see actuarial assumptions for details |
| Actuarial cost method | Entry Age Normal | Entry Age Normal |

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

Mortality rates were based on the following criteria:

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

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

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

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

| Changes in Total OPEB Liability | Increase (Decrease) | |
|--|----------------------|---------------|
| | Total OPEB Liability | |
| | FY 2019 | FY 2018 |
| Beginning of Year Balances | \$ 10,560,026 | \$ 12,090,670 |
| Changes for the year: | | |
| Service cost | 413,526 | 452,247 |
| Interest on total OPEB liability | 368,862 | 330,107 |
| Effect of plan changes | 0 | 0 |
| Effect of economic/demographic gains or losses | 0 | 0 |
| Effect of assumptions changes or inputs | (145,673) | (378,998) |
| Benefit payments | (1,352,144) | (1,934,000) |
| End of Year Balances | \$ 9,844,597 | \$ 10,560,026 |

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

| | 2018-2019 | | |
|----------------------|---------------|---------------|---------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| | 2.87% | 3.87% | 4.87% |
| Total OPEB Liability | \$ 10,347,836 | \$ 9,844,597 | \$ 9,347,904 |
| | 2017-2018 | | |
| | 1% Decrease | Discount Rate | 1% Increase |
| | 2.58% | 3.58% | 4.58% |
| Total OPEB Liability | \$ 11,079,322 | \$ 10,560,026 | \$ 10,047,033 |

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

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

| | | 2018-2019 | | |
|----------------------|----|------------------------------|-----------------------------|------------------------------|
| | | 1% Decrease 3.00% - 5.50% | Trend Rate 4.00% - 6.50% | 1% Increase 5.00% - 7.50% |
| Total OPEB Liability | \$ | 8,951,107 | \$ | 9,844,597 |
| | | | \$ | 10,892,975 |
| | | 2017-2018 | | |
| | | 1% Decrease 3.00% - 5.50% | Trend Rate 4.00% - 6.50% | 1% Increase 5.00% - 7.50% |
| Total OPEB Liability | \$ | 9,737,394 | \$ | 10,560,026 |
| | | | \$ | 11,522,225 |

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

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

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

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

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

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

Contribution rates as of both June 30, 2019 and 2018 are:

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

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are listed below:

| Life Insurance Employee Contribution Rates* For the year ended December 31, 2018 | | |
|--|--------|--------------|
| Attained Age | Basic | Supplemental |
| Under 30 | \$0.05 | \$0.05 |
| 30-34 | 0.06 | 0.06 |
| 35-39 | 0.07 | 0.07 |
| 40-44 | 0.08 | 0.08 |
| 45-49 | 0.12 | 0.12 |
| 50-54 | 0.22 | 0.22 |
| 55-59 | 0.39 | 0.39 |
| 60-64 | 0.49 | 0.49 |
| 65-69 | 0.57 | 0.57 |
| *Disabled members under age 70 receive a waiver-of-premium benefit. | | |

During the reporting period, the LRLIF recognized \$88,188 in contributions from the employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEBs. At June 30, 2019, the District reported a liability (asset) of \$11,810,878 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the District's proportion was 4.5773%, which was an increase of .0926% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,250,999.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

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

For the year ended June 30, 2018, the District recognized OPEB expense of \$1,470,088.

OPEB Life Insurance Prior Period Adjustment. For the year ended June 30, 2018, a prior period adjustment was recognized to record the changes in reporting for GASB Statement No. 74 and 75. \$10,441,231 of the prior period adjustment is due to the life insurance portion of other postemployment benefits.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 599,155 |
| Net differences between projected and actual earnings on OPEB plan investments | 282,259 | - |
| Changes in assumptions | 1,126,940 | 2,560,130 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 451,211 | - |
| Employer contributions subsequent to the measurement date | 134,750 | - |
| Total | \$ 1,995,160 | \$ 3,159,285 |

\$134,750 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date is recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2020.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

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

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

\$130,555 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date is recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2019.

As of June 30, 2019, other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ending June 30: | Net Deferred Outflows/Inflows of Resources |
|-----------------------------|---|
| 2020 | \$ (154,803) |
| 2021 | (154,803) |
| 2022 | (154,803) |
| 2023 | (194,445) |
| 2024 | (235,278) |
| Thereafter | (404,743) |

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

Actuarial Assumptions. The total OPEB liability in the January 1, 2018 and 2017, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| Fiscal year | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|---|--------------------------------|--------------------------------|
| Valuation date | January 1, 2018 | January 1, 2017 |
| Measurement date | December 31, 2018 | December 31, 2017 |
| Actuarial cost method | Entry Age Normal | Entry Age Normal |
| 20 Year tax-exempt municipal bond yield | 4.10% | 3.44% |
| Long-term, Expected Rate of Return | 5.00% | 5.00% |
| Discount rate | 3.63% | 3.63% |
| Salary increases: | | |
| Inflation | 3.00% | 3.20% |
| Seniority/Merit | 0.01% - 5.60% | 0.20% - 5.60% |
| Mortality | Wisconsin 2012 Mortality Table | Wisconsin 2012 Mortality Table |

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2018**

| <u>Asset Class</u> | <u>Index</u> | <u>Target Allocation</u> | <u>Long-Term Expected Geometric Real Rate of Return</u> |
|-----------------------------------|-------------------------|------------------------------|---|
| US Government Bonds | Barclays Government | 1.00% | 1.44% |
| US Credit Bonds | Barclays Credit | 40.00% | 2.69% |
| US Long Credit Bonds | Barclays Long Credit | 4.00% | 3.01% |
| US Mortgages | Barclays MBS | 54.00% | 2.25% |
| US Municipal Bonds | Bloomberg Barclays Muni | 1.00% | 1.68% |
| Inflation | | | 2.30% |
| Long-Term Expected Rate of Return | | | 5.00% |

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2017**

| <u>Asset Class</u> | <u>Index</u> | <u>Target Allocation</u> | <u>Long-Term Expected Geometric Real Rate of Return</u> |
|-----------------------------------|----------------------|------------------------------|---|
| US Government Bonds | Barclays Government | 1.00% | 1.13% |
| US Credit Bonds | Barclays Credit | 65.00% | 2.61% |
| US Long Credit Bonds | Barclays Long Credit | 3.00% | 3.08% |
| US Mortgages | Barclays MBS | 31.00% | 2.19% |
| Inflation | | | 2.30% |
| Long-Term Expected Rate of Return | | | 5.00% |

Single Discount Rate. A single discount rate of 4.22 percent was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.63 percent for the prior year. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.22 percent and 3.63 percent for the fiscal year ended June 30, 2019 and 2018, respectively, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | 2018-2019 | | |
|---|--------------------|----------------------|--------------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| | 3.22% | 4.22% | 5.22% |
| District's proportionate share of the Net OPEB Liability (Asset) | \$ 16,801,756 | \$ 11,810,878 | \$ 7,961,550 |

| | 2017-2018 | | |
|---|--------------------|----------------------|--------------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| | 2.63% | 3.63% | 4.63% |
| District's proportionate share of the Net OPEB Liability (Asset) | \$ 19,070,010 | \$ 13,492,486 | \$ 9,212,321 |

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

NOTE G - COMMITMENTS

Operating Leases

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

| Year ending June 30: | Future Minimum Lease Payments |
|----------------------|----------------------------------|
| 2020 | \$ 1,259,441 |
| 2021 | 1,079,239 |
| 2022 | 826,763 |
| 2023 | 44,647 |
| 2024 | 45,987 |
| Thereafter | 466,199 |

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE G - COMMITMENTS (continued)

The District's other operating leases are primarily month-to-month and year-to-year for instructional facilities and equipment. Rent expenses under all operating leases for the years ended June 30, 2019 and 2018 were \$1,313,394 and \$1,259,530, 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, 2019 are as follows:

| Year ending June 30: | Future Minimum Lease Payments |
|---|----------------------------------|
| 2020 | \$ 46,833 |
| 2021 | 47,302 |
| 2022 | 47,775 |
| 2023 | 48,253 |
| 2024 | 48,735 |
| Thereafter | 407,841 |
| Total required minimum lease payments | 646,739 |
| Less amount representing interest | (610,681) |
| Net present value of minimum lease payments | \$ 36,058 |

NOTE H - RISK MANAGEMENT

Districts Mutual Insurance Company (DMI)

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

At this time, settled claims have not approached the coverage limits as identified above. The District's exposure in its layer of insurance is limited to \$5,000 to \$100,000 per occurrence depending on the type of coverage, and DMI purchases reinsurance for losses in excess of its retained layer of coverage.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE H - RISK MANAGEMENT (continued)

DMI operations are governed by a five-member board of directors. Member colleges do not exercise any control over the activities of DMI beyond election of the board of directors at the annual meeting. The board has the authority to adopt its own budget, set policy matters, and control the financial affairs of the company.

For the year ended June 30, 2019 and 2018, the District paid DMI insurance premiums of \$813,636 and \$905,626 respectively. The worker compensation premiums are audited annually in October for the previous fiscal year.

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

Supplemental Insurance

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

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

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

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

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

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

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE H - RISK MANAGEMENT (continued)

Underground Storage Tanks: Policy aggregates include \$1,000,000 per tank incident (claims and remediation); \$1,000,000 aggregate per tank incident (confirmed release); \$1,000,000 aggregate per tank incident (all legal defense expenses); \$3,000,000 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> |
|------------------------------|------------------------------------|-------------------------------|---------------------------------|---------------------------------|
| 2019 | \$ 78,700 | \$ 1,536,637 | \$ 1,551,237 | \$ 64,100 |
| 2018 | \$ 77,400 | \$ 1,509,763 | \$ 1,508,463 | \$ 78,700 |

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE J - CONTINGENCIES

The District receives regular program aid 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, 2019 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 other lawsuits, many of which normally occur in governmental operations. No provision has been made for any liability as a result of these proceedings due to the fact that such liability is not readily estimable and not expected by management to materially affect the District's financial position.

NOTE K - EXPENSES CLASSIFICATION

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

| | <u>2019</u> | <u>2018</u> |
|---------------------------------------|---------------------------|---------------------------|
| Salaries and wages | \$ 103,555,652 | 98,998,514 |
| Fringe benefits | 39,833,566 | 36,685,643 |
| Travel, memberships and subscriptions | 2,099,015 | 3,062,337 |
| Supplies | 18,692,010 | 12,586,643 |
| Postage | 108,421 | 204,326 |
| Contract services | 16,782,121 | 24,919,671 |
| Rentals | 1,441,832 | 1,371,993 |
| Credit/Collection Expenses | 672,378 | 907,678 |
| Insurance | 796,894 | 944,817 |
| Utilities | 2,865,498 | 2,899,044 |
| Depreciation | 22,132,771 | 20,735,136 |
| Student aid | <u>9,654,314</u> | <u>7,843,056</u> |
| Total Operating Expenses | <u>\$ 218,634,472</u> | <u>\$ 211,158,858</u> |

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE L - RESTATEMENT OF NET POSITION

Net Position as of July 1, 2017 has been restated as a result of the implementation of the Government Accounting Standard Board (GASB) Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, which required the District to record the total postemployment benefit liability less any related trust assets of the District’s other postemployment benefit (OPEB) plan, and record related deferred outflows and deferred inflows of resources and expenses as of the plan’s actuarial valuation. The details of this restatement are as follows:

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

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

NOTE M - LEASES ON DISTRICT OWNED/LEASED SPACE

The District has leases with companies to operate businesses on District owned space. As of June 30, 2019 and 2018, the District leases space to six and seven unique tenants, respectively. The total anticipated lease payments to be made to the College are \$316,289 for fiscal year 2019-20. 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 7, 2019, the District issued General Obligation Promissory Notes, Series 2019-20A, totaling \$5,300,000 with interest rates at 5.0% payable on March 1 and September 1 annually. Principal payments of varying amounts are due on March 1 of each year until maturity on March 1, 2021. Proceeds will be used for paying the cost of the acquisition of moveable equipment and building remodeling and improvement projects. The Notes are not subject to redemption prior to maturity.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE N - SUBSEQUENT EVENTS (continued)

On September 4, 2019, the District issued General Obligation Promissory Notes, Series 2019-20B, totaling \$5,300,000 with interest rates at 4.0% - 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, 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.

On November 6, 2019, the District issued General Obligation Promissory Notes, Series 2019-20C, totaling \$4,125,000 with interest rates between 2.0% - 4.0% payable March 1 and September 1 annually. Principal payments of varying amounts are due on March 1 of each year until maturity on March 1, 2023. Proceeds will be used for paying the cost of the acquisition of moveable equipment, building remodeling and improvement projects. The Notes are not subject to redemption prior to maturity.

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

REQUIRED SUPPLEMENTARY INFORMATION

**MADISON AREA TECHNICAL COLLEGE DISTRICT
OTHER POSTEMPLOYMENT AND PENSION
BENEFITS PLAN
(UNAUDITED)
Year Ended June 30, 2019**

| SCHEDULE OF DISTRICT'S PROPORTIONALTE SHARE OF THE NET PENSION LIABILITY (ASSET) | | | | | |
|--|-------------|--------------|-------------|-------------|--------------|
| Wisconsin Retirement System | | | | | |
| Last 10 Fiscal Years* | | | | | |
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| District's proportion of the net pension liability (asset) | 0.6444% | 0.6467% | 0.6471% | 0.6633% | 0.6846% |
| District's proportionate share of the net pension liability (asset) | 22,926,533 | (19,199,954) | 5,333,502 | 10,778,119 | (16,814,521) |
| District's covered-employee payroll | 97,563,127 | 97,331,263 | 92,244,957 | 90,934,540 | 91,871,959 |
| District's proportionate share of the net pension liability/asset as a percentage of its covered payroll | 23.5% | -19.7% | 5.8% | 11.9% | 18.3% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 96.5% | 102.9% | 99.1% | 98.2% | 102.7% |

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

| SCHEDULE OF DISTRICT'S CONTRIBUTIONS | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| Wisconsin Retirement System | | | | | |
| Last 10 Fiscal Years* | | | | | |
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| Contractually required contributions | 6,534,019 | 6,618,437 | 6,141,285 | 6,187,208 | 6,436,255 |
| Contributions in relation to the contractually required contributions | 6,534,019 | 6,618,437 | 6,141,285 | 6,187,208 | 6,436,255 |
| Contribution deficiency (excess) | 0 | 0 | 0 | 0 | 0 |
| District's covered-employee payroll | 97,563,127 | 97,331,263 | 92,987,378 | 90,934,540 | 91,871,959 |
| Contributions as a percentage of covered-employee payroll | 6.70% | 6.80% | 6.60% | 6.80% | 7.01% |

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

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
OTHER POSTEMPLOYMENT AND PENSION
BENEFITS PLAN
(UNAUDITED)
Year Ended June 30, 2019**

**MADISON AREA TECHNICAL COLLEGE DISTRICT
Schedule of Changes in the District's
Total OPEB Health Insurance Liability and Related Ratios
Last 10 Fiscal Years*
June 30, 2019**

| | <u>2019</u> | <u>2018</u> |
|---|----------------------|----------------------|
| Total OPEB Liability | | |
| Service cost | \$ 413,526 | \$ 452,247 |
| Interest on total OPEB liability | 368,862 | 330,107 |
| Changes in benefit terms | - | - |
| Effect of economic/demographic gains (losses) | - | - |
| Effect of assumption changes or inputs | (145,673) | (378,998) |
| Benefit payments | (1,352,144) | (1,934,000) |
| Net change in total OPEB liability | (715,429) | (1,530,644) |
| Total OPEB liability, beginning | 10,560,026 | 12,090,670 |
| Total OPEB liability, ending | <u>\$ 9,844,597</u> | <u>\$ 10,560,026</u> |
| Covered payroll | <u>\$ 97,563,127</u> | <u>\$ 97,331,263</u> |
| Total OPEB as a % of covered payroll | <u>10%</u> | <u>11%</u> |

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

*No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 for this plan in any years presented.

**MADISON AREA TECHNICAL COLLEGE DISTRICT
OTHER POSTEMPLOYMENT AND PENSION
BENEFITS PLAN
(UNAUDITED)
Year Ended June 30, 2019**

| SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) Local Retiree Life Insurance Fund Last 10 Fiscal Years* | | |
|---|---------------|----------------|
| | 2019 | 2018 |
| District's proportion of the net OPEB liability (asset) | 4.58% | 4.48% |
| District's proportionate share of the net OPEB liability (asset) | \$ 11,810,878 | \$ 13,492,486 |
| District's covered-employee payroll | \$ 80,274,000 | \$ 188,593,160 |
| Plan fiduciary net position as a percentage of the total OPEB liability (asset) | 48.69% | 44.81% |

| SCHEDULE OF DISTRICTS CONTRIBUTIONS Local Retiree Life Insurance Fund Last 10 Fiscal Years* | | |
|--|---------------|----------------|
| | 2019 | 2018 |
| Contractually required contributions | \$ 88,188 | \$ 85,165 |
| Contributions in relation to the contractually required contributions | \$ 88,188 | \$ 85,165 |
| Contribution deficiency (excess) | \$ - | \$ - |
| District's covered-employee payroll | \$ 80,274,000 | \$ 188,593,160 |
| Contributions as a percentage of covered-employee payroll | 0.11% | 0.05% |

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
OTHER POSTEMPLOYMENT AND PENSION
BENEFITS PLAN
(UNAUDITED)
Year Ended June 30, 2019**

***Notes to Required Supplementary Information
for the Year Ended June 30, 2019:***

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

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015-2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

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

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

Changes of assumptions. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015-2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total OPEB Liability changed, including the discount rate, wage inflation rate, mortality and separation rates.

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, 2019

| | <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 | \$ 41,439,000 | \$ 41,466,000 | \$ 41,465,670 | \$ - | \$ 41,465,670 | \$ (330) |
| Intergovernmental revenue | | | | | | |
| State | 72,412,000 | 73,358,000 | 73,357,128 | - | 73,357,128 | (872) |
| Federal | 192,000 | 265,000 | 264,370 | - | 264,370 | (630) |
| Tuition and fees | | | | | | |
| Statutory program fees | 35,592,000 | 34,700,000 | 34,699,747 | - | 34,699,747 | (253) |
| Material fees | 1,239,000 | 1,250,000 | 1,249,168 | - | 1,249,168 | (832) |
| Other student fees | 2,110,000 | 1,980,000 | 1,979,144 | - | 1,979,144 | (856) |
| Institutional | <u>1,067,000</u> | <u>2,423,000</u> | <u>2,422,154</u> | <u>-</u> | <u>2,422,154</u> | <u>(846)</u> |
| Total revenues | <u>154,051,000</u> | <u>155,442,000</u> | <u>155,437,381</u> | <u>-</u> | <u>155,437,381</u> | <u>(4,619)</u> |
| Expenditures | | | | | | |
| Instruction | 105,260,000 | 106,992,000 | 106,950,923 | - | 106,950,923 | 41,077 |
| Instructional resources | 3,720,000 | 3,077,000 | 3,076,953 | - | 3,076,953 | 47 |
| Student services | 16,659,000 | 15,588,000 | 15,587,007 | - | 15,587,007 | 993 |
| General institutional | 16,119,000 | 14,464,000 | 14,153,477 | - | 14,153,477 | 310,523 |
| Physical plant | 14,195,000 | 13,142,000 | 12,721,066 | - | 12,721,066 | 420,934 |
| Public service | <u>481,000</u> | <u>444,000</u> | <u>443,698</u> | <u>-</u> | <u>443,698</u> | <u>302</u> |
| Total expenditures | <u>156,434,000</u> | <u>153,707,000</u> | <u>152,933,124</u> | <u>-</u> | <u>152,933,124</u> | <u>773,876</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,383,000)</u> | <u>1,735,000</u> | <u>2,504,257</u> | <u>-</u> | <u>2,504,257</u> | <u>769,257</u> |
| Other financing uses | | | | | | |
| Transfers out | <u>-</u> | <u>(1,785,000)</u> | <u>(1,784,092)</u> | <u>-</u> | <u>(1,784,092)</u> | <u>908</u> |
| Net change in fund balance | <u>(2,383,000)</u> | <u>(50,000)</u> | <u>720,165</u> | <u>-</u> | <u>720,165</u> | <u>770,165</u> |
| Fund balance at July 1, 2018 | <u>51,711,523</u> | <u>51,011,862</u> | <u>51,011,863</u> | <u>-</u> | <u>51,011,863</u> | <u>1</u> |
| Fund balance at June 30, 2019 | <u>\$ 49,328,523</u> | <u>\$ 50,961,862</u> | <u>\$ 51,732,028</u> | <u>\$ -</u> | <u>\$ 51,732,028</u> | <u>\$ 770,166</u> |
| Fund balance | | | | | | |
| Assigned for future purchases | | | \$ - | | | |
| Nonspendable - prepaid items and advances | | | 97,033 | | | |
| Nonspendable - noncurrent assets | | | 2,740 | | | |
| Assigned for compensated absences | | | 8,750,661 | | | |
| Assigned for state aid fluctuations | | | 1,130,800 | | | |
| Assigned for subsequent year | | | 589,000 | | | |
| Assigned for subsequent years | | | 1,767,000 | | | |
| Assigned for operations | | | <u>39,394,794</u> | | | |
| | | | <u>\$ 51,732,028</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, 2019

| | <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 | \$ 1,583,000 | \$ 1,581,545 | \$ - | \$ 1,581,545 | \$ (1,455) |
| Intergovernmental revenue | | | | | | |
| State | 1,042,000 | 1,492,000 | 1,248,583 | - | 1,248,583 | (243,417) |
| Federal | 4,722,000 | 5,169,000 | 4,542,043 | - | 4,542,043 | (626,957) |
| Tuition and fees | | | | | | |
| Program fees | 112,000 | 156,000 | 155,990 | - | 155,990 | (10) |
| Material fees | 50,000 | 54,000 | 53,060 | - | 53,060 | (940) |
| Other student fees | 1,056,000 | 1,072,000 | 1,018,970 | - | 1,018,970 | (53,030) |
| Institutional | <u>2,639,000</u> | <u>3,230,000</u> | <u>3,229,894</u> | <u>-</u> | <u>3,229,894</u> | <u>(106)</u> |
| Total revenues | <u>11,206,000</u> | <u>12,756,000</u> | <u>11,830,085</u> | <u>-</u> | <u>11,830,085</u> | <u>(925,915)</u> |
| Expenditures | | | | | | |
| Instruction | 9,137,000 | 10,271,000 | 9,514,129 | - | 9,514,129 | 756,871 |
| Instructional resources | 135,000 | 99,000 | 98,184 | - | 98,184 | 816 |
| Student services | 1,927,000 | 2,375,000 | 2,374,036 | - | 2,374,036 | 964 |
| General institutional | - | 2,000 | 1,333 | - | 1,333 | 667 |
| Physical plant | <u>7,000</u> | <u>9,000</u> | <u>7,795</u> | <u>-</u> | <u>7,795</u> | <u>1,205</u> |
| Total expenditures | <u>11,206,000</u> | <u>12,756,000</u> | <u>11,995,477</u> | <u>-</u> | <u>11,995,477</u> | <u>760,523</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>(165,392)</u> | <u>-</u> | <u>(165,392)</u> | <u>(165,392)</u> |
| Other financing sources | | | | | | |
| Transfers in | <u>-</u> | <u>438,000</u> | <u>438,000</u> | <u>-</u> | <u>438,000</u> | <u>438,000</u> |
| Net change in fund balance | <u>-</u> | <u>438,000</u> | <u>272,608</u> | <u>-</u> | <u>272,608</u> | <u>(165,392)</u> |
| Fund balance at July 1, 2018 | <u>648,008</u> | <u>882,387</u> | <u>882,387</u> | <u>-</u> | <u>882,387</u> | <u>-</u> |
| Fund balance at June 30, 2019 | <u>\$ 648,008</u> | <u>\$ 1,320,387</u> | <u>\$ 1,154,995</u> | <u>\$ -</u> | <u>\$ 1,154,995</u> | <u>\$ (165,392)</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, 2019

| | <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 | \$ 112,000 | \$ 146,000 | \$ 122,402 | \$ - | \$ 122,402 | \$ (23,598) |
| Intergovernmental revenue | | | | | | |
| State | 2,265,000 | 2,666,000 | 3,099,102 | - | 3,099,102 | 433,102 |
| Federal | 41,142,000 | 41,261,000 | 34,863,253 | - | 34,863,253 | (6,397,747) |
| Institutional | 983,000 | 845,000 | 1,044,136 | - | 1,044,136 | 199,136 |
| | <u>44,502,000</u> | <u>44,918,000</u> | <u>39,128,893</u> | <u>-</u> | <u>39,128,893</u> | <u>(5,789,107)</u> |
| Expenditures | | | | | | |
| Student services | <u>44,502,000</u> | <u>44,918,000</u> | <u>39,259,100</u> | <u>-</u> | <u>39,259,100</u> | <u>5,658,900</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>(130,207)</u> | <u>-</u> | <u>(130,207)</u> | <u>(130,207)</u> |
| Net change in fund balance | - | - | (130,207) | - | (130,207) | (130,207) |
| Fund balance at July 1, 2018 | <u>472,222</u> | <u>472,222</u> | <u>472,222</u> | <u>-</u> | <u>472,222</u> | <u>-</u> |
| Fund balance at June 30, 2019 | <u>\$ 472,222</u> | <u>\$ 472,222</u> | <u>\$ 342,015</u> | <u>\$ -</u> | <u>\$ 342,015</u> | <u>\$ (130,207)</u> |

MADISON AREA TECHNICAL COLLEGE DISTRICT
CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Year Ended June 30, 2019

| | Original Budget | Final Budget | Actual | Adjustment to Budgetary Basis | Actual on a Budgetary Basis | Variance Favorable (Unfavorable) |
|---|---------------------|---------------------|----------------------|-------------------------------------|-----------------------------------|--|
| Revenues | | | | | | |
| Local government - tax levy | \$ - | \$ 5,000 | \$ 4,053 | \$ - | \$ 4,053 | \$ (947) |
| Intergovernmental revenue | | | | | | |
| State | 33,000 | 34,000 | 33,590 | - | 33,590 | (410) |
| Federal | 201,000 | 214,000 | 213,139 | - | 213,139 | (861) |
| Institutional | <u>254,000</u> | <u>5,581,000</u> | <u>5,580,375</u> | <u>-</u> | <u>5,580,375</u> | <u>(625)</u> |
| Total revenues | <u>488,000</u> | <u>5,834,000</u> | <u>5,831,157</u> | <u>-</u> | <u>5,831,157</u> | <u>(2,843)</u> |
| Expenditures | | | | | | |
| Capital outlay | | | | | | |
| Instruction | 6,099,000 | 9,091,590 | 8,185,253 | 718,230 | 8,903,483 | 188,107 |
| Instructional resources | 15,121,000 | 8,817,000 | 7,000,068 | 552,675 | 7,552,743 | 1,264,257 |
| Student services | 46,000 | 186,000 | 91,564 | (4,105) | 87,459 | 98,541 |
| General institutional | 5,114,000 | 3,651,000 | 511,716 | 21,572 | 533,288 | 3,117,712 |
| Physical plant | 14,912,000 | 35,432,000 | 28,491,333 | 6,940,056 | 35,431,389 | 611 |
| Auxiliary service | 7,000 | 5,364,000 | 5,553,335 | (189,721) | 5,363,614 | 386 |
| Public service | <u>4,000</u> | <u>75,000</u> | <u>80,168</u> | <u>(5,871)</u> | <u>74,297</u> | <u>703</u> |
| Total expenditures | <u>41,303,000</u> | <u>62,616,590</u> | <u>49,913,437</u> | <u>8,032,836</u> | <u>57,946,273</u> | <u>4,670,317</u> |
| Excess (deficiency) of revenues over expenditures | <u>(40,815,000)</u> | <u>(56,782,590)</u> | <u>(44,082,280)</u> | <u>(8,032,836)</u> | <u>(52,115,116)</u> | <u>(4,673,160)</u> |
| Other financing sources | | | | | | |
| Debt issued | 28,000,000 | 28,000,000 | 28,000,000 | - | 28,000,000 | - |
| Premiums on debt issued | - | - | 261,098 | - | 261,098 | 261,098 |
| Transfers in | <u>-</u> | <u>-</u> | <u>1,080,092</u> | <u>-</u> | <u>1,080,092</u> | <u>1,080,092</u> |
| Total other financing sources | <u>28,000,000</u> | <u>28,000,000</u> | <u>29,341,190</u> | <u>-</u> | <u>29,341,190</u> | <u>1,341,190</u> |
| Net change in fund balance | <u>(12,815,000)</u> | <u>(28,782,590)</u> | <u>(14,741,090)</u> | <u>(8,032,836)</u> | <u>(22,773,926)</u> | <u>6,008,664</u> |
| Fund balance at July 1, 2018 | <u>12,815,000</u> | <u>31,177,604</u> | <u>34,006,846</u> | <u>(2,829,242)</u> | <u>31,177,604</u> | <u>-</u> |
| Fund balance at June 30, 2019 | <u>\$ -</u> | <u>\$ 2,395,014</u> | <u>\$ 19,265,756</u> | <u>\$ (10,862,078)</u> | <u>\$ 8,403,678</u> | <u>\$ 6,008,664</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, 2019

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Adjustment to Budgetary Basis</u> | <u>Actual on a Budgetary Basis</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|----------------------------|-------------------------|---------------------|--|--|---|
| Revenues | | | | | | |
| Local government - tax levy | \$ 34,476,000 | \$ 34,476,000 | \$ 34,476,000 | \$ - | \$ 34,476,000 | \$ - |
| Institutional | <u>-</u> | <u>21,000</u> | <u>20,098</u> | <u>-</u> | <u>20,098</u> | <u>(902)</u> |
| Total revenues | 34,476,000 | 34,497,000 | 34,496,098 | - | 34,496,098 | (902) |
| Expenditures | | | | | | |
| Physical plant | <u>34,742,800</u> | <u>34,838,000</u> | <u>34,837,357</u> | <u>-</u> | <u>34,837,357</u> | <u>643</u> |
| Excess (deficiency) of revenues over expenditures | (266,800) | (341,000) | (341,259) | - | (341,259) | (259) |
| Other financing sources | | | | | | |
| Premiums on debt issued | <u>-</u> | <u>750,000</u> | <u>749,253</u> | <u>-</u> | <u>749,253</u> | <u>(747)</u> |
| Net change in fund balance | (266,800) | 409,000 | 407,994 | - | 407,994 | (1,006) |
| Fund balance at July 1, 2018 | <u>4,052,496</u> | <u>4,792,271</u> | <u>4,792,271</u> | <u>-</u> | <u>4,792,271</u> | <u>-</u> |
| Fund balance at June 30, 2019 | <u>\$ 3,785,696</u> | <u>\$ 5,201,271</u> | <u>\$ 5,200,265</u> | <u>\$ -</u> | <u>\$ 5,200,265</u> | <u>\$ (1,006)</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, 2019

| | <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 | 2,700 | 2,700 | 3,389 | - | 3,389 | 689 |
| Auxiliary revenue | <u>9,177,000</u> | <u>9,480,100</u> | <u>8,773,951</u> | <u>-</u> | <u>8,773,951</u> | <u>(706,149)</u> |
| Total revenues | 9,294,700 | 9,597,800 | 8,892,340 | - | 8,892,340 | (705,460) |
| Operating expenses | | | | | | |
| Auxiliary services | <u>9,444,000</u> | <u>12,177,100</u> | <u>9,660,501</u> | <u>-</u> | <u>9,660,501</u> | <u>2,516,599</u> |
| Excess (deficiency) of revenues over expenses | (149,300) | (2,579,300) | (768,161) | - | (768,161) | 1,811,139 |
| Non-operating revenues (expenses) | | | | | | |
| Transfers in | - | - | (3,734,000) | - | (3,734,000) | (3,734,000) |
| Transfers out | <u>-</u> | <u>-</u> | <u>4,000,000</u> | <u>-</u> | <u>4,000,000</u> | <u>4,000,000</u> |
| Total non-operating revenues (expenses) | <u>-</u> | <u>-</u> | <u>266,000</u> | <u>-</u> | <u>266,000</u> | <u>266,000</u> |
| Net change in net position | (149,300) | (2,579,300) | (502,161) | - | (502,161) | 2,077,139 |
| Net position at July 1, 2018 | <u>7,668,663</u> | <u>7,590,539</u> | <u>7,590,539</u> | <u>-</u> | <u>7,590,539</u> | <u>-</u> |
| Net position at June 30, 2019 | <u>\$ 7,519,363</u> | <u>\$ 5,011,239</u> | <u>\$ 7,088,378</u> | <u>\$ -</u> | <u>\$ 7,088,378</u> | <u>\$ 2,077,139</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, 2019

| | <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 | | | | | | |
| Auxiliary revenue | \$ 16,593,000 | \$ 16,593,000 | \$ 15,578,282 | \$ - | \$ 15,578,282 | \$ (1,014,718) |
| Total revenues | 16,593,000 | 16,593,000 | 15,578,282 | - | 15,578,282 | (1,014,718) |
| Operating expenses | | | | | | |
| Auxiliary services | <u>16,530,000</u> | <u>16,728,000</u> | <u>15,580,790</u> | - | <u>15,580,790</u> | <u>1,147,210</u> |
| Excess (deficiency) of revenues over expenses | <u>63,000</u> | <u>(135,000)</u> | <u>(2,508)</u> | - | <u>(2,508)</u> | <u>132,492</u> |
| Net change in net position | 63,000 | (135,000) | (2,508) | - | (2,508) | 132,492 |
| Net position at July 1, 2018 | <u>3,894,072</u> | <u>4,395,156</u> | <u>4,395,156</u> | - | <u>4,395,156</u> | - |
| Net position at June 30, 2019 | <u>\$ 3,957,072</u> | <u>\$ 4,260,156</u> | <u>\$ 4,392,648</u> | \$ - | <u>\$ 4,392,648</u> | <u>\$ 132,492</u> |

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL
STATEMENTS TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2019

| | <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 | \$ 41,465,670 | \$ 1,581,545 | \$ 122,402 | \$ 4,053 | \$ 34,476,000 | \$ 115,000 | \$ - | \$ 77,764,670 | \$ - | \$ 77,764,670 |
| Intergovernmental revenue | | | | | | | | | | |
| State | 73,357,128 | 1,248,583 | 3,099,102 | 33,590 | - | - | - | 77,738,403 | - | 77,738,403 |
| Federal | 264,370 | 4,542,043 | 34,863,253 | 213,139 | - | 3,389 | - | 39,886,194 | (20,161,575) | 19,724,619 |
| Tuition and fees | | | | | | | | | | |
| Program fees | 34,699,747 | 155,990 | - | - | - | - | - | 34,855,737 | (5,796,335) | 29,059,402 |
| Material fees | 1,249,168 | 53,060 | - | - | - | - | - | 1,302,228 | (170,491) | 1,131,737 |
| Other student fees | 1,979,144 | 1,018,970 | - | - | - | - | - | 2,998,114 | (688,466) | 2,309,648 |
| Institutional | 2,422,154 | 3,229,894 | 1,044,136 | 5,580,375 | 20,098 | - | - | 12,296,657 | - | 12,296,657 |
| Auxiliary revenue | - | - | - | - | - | 8,773,951 | 15,578,282 | 24,352,233 | (15,578,282) | 8,773,951 |
| Total revenues | 155,437,381 | 11,830,085 | 39,128,893 | 5,831,157 | 34,496,098 | 8,892,340 | 15,578,282 | 271,194,236 | (42,395,149) | 228,799,087 |
| Expenditures | | | | | | | | | | |
| Instruction | 106,950,923 | 9,514,129 | - | 8,903,483 | - | - | - | 125,368,535 | (14,438,703) | 110,929,832 |
| Instructional resources | 3,076,953 | 98,184 | - | 7,552,743 | - | - | - | 10,727,880 | (1,677,450) | 9,050,430 |
| Student services | 15,587,007 | 2,374,036 | 39,259,100 | 87,459 | - | - | - | 57,307,602 | (42,569,917) | 14,737,685 |
| General institutional | 14,153,477 | 1,333 | - | 533,288 | - | - | - | 14,688,098 | (1,756,071) | 12,932,027 |
| Physical plant | 12,721,066 | 7,795 | - | 35,431,389 | 34,837,357 | - | - | 82,997,607 | (51,852,230) | 31,145,377 |
| Public service | 443,698 | - | - | 74,297 | - | - | - | 517,995 | (48,439) | 469,556 |
| Auxiliary services | - | - | - | 5,363,614 | - | 9,660,501 | 15,580,790 | 30,604,905 | (18,652,756) | 11,952,149 |
| Depreciation | - | - | - | - | - | - | - | - | 22,132,771 | 22,132,771 |
| Student aid | - | - | - | - | - | - | - | - | 9,654,314 | 9,654,314 |
| Total expenditures | 152,933,124 | 11,995,477 | 39,259,100 | 57,946,273 | 34,837,357 | 9,660,501 | 15,580,790 | 322,212,622 | (99,208,481) | 223,004,141 |
| Excess (deficiency) of revenues over expenditures | 2,504,257 | (165,392) | (130,207) | (52,115,116) | (341,259) | (768,161) | (2,508) | (51,018,386) | 56,813,332 | 5,794,946 |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | - | 438,000 | - | 1,080,092 | - | (3,734,000) | - | (2,215,908) | 2,215,908 | - |
| Transfers out | (1,784,092) | - | - | - | - | 4,000,000 | - | 2,215,908 | (2,215,908) | - |
| Gain (loss) on the sale of assets | - | - | - | - | - | - | - | - | (8,234,206) | (8,234,206) |
| Debt issued | - | - | - | 28,000,000 | - | - | - | 28,000,000 | (28,000,000) | - |
| Premiums on notes issued | - | - | - | 261,098 | 749,253 | - | - | 1,010,351 | (1,010,351) | - |
| Net change in fund balance | 720,165 | 272,608 | (130,207) | (22,773,926) | 407,994 | (502,161) | (2,508) | (22,008,035) | 19,568,775 | (2,439,260) |
| Fund balance/Net position at July 1, 2018 | 51,011,863 | 882,387 | 472,222 | 31,177,604 | 4,792,271 | 7,590,539 | 4,395,156 | 100,322,042 | 56,334,843 | 156,656,885 |
| Fund balance/Net position at June 30, 2019 | \$ 51,732,028 | \$ 1,154,995 | \$ 342,015 | \$ 8,403,678 | \$ 5,200,265 | \$ 7,088,378 | \$ 4,392,648 | \$ 78,314,007 | \$ 75,903,618 | \$ 154,217,625 |

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL
STATEMENTS TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2019

| | 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 | \$ 33,659,693 | \$ (452,716) | \$ 2,464,546 | \$ 9,925,176 | \$ 4,459,485 | \$ 6,178,191 | \$ 2,884,798 | \$ 59,119,173 | \$ (13,687,895) | \$ 45,431,278 |
| Restricted cash and cash equivalents | - | - | - | - | - | - | 696,766 | 696,766 | 7,738,998 | 8,435,764 |
| Restricted investments | - | - | - | 14,152,786 | 740,780 | - | - | 14,893,566 | 5,948,897 | 20,842,463 |
| Accounts receivable | 553,190 | 1,997,378 | 57,746 | - | - | 74,424 | - | 2,682,738 | - | 2,682,738 |
| Property taxes receivable | 19,016,784 | - | - | - | - | - | - | 19,016,784 | - | 19,016,784 |
| Federal and state aid receivable | 216,168 | 1,497,547 | 32,920 | 78,350 | - | 14,414 | - | 1,839,399 | - | 1,839,399 |
| Student fee receivable, less allowance of \$4,570,000 for | 19,346,608 | - | - | - | - | - | - | 19,346,608 | - | 19,346,608 |
| Inventories | 26,951 | - | - | - | - | 970,566 | 37,816 | 1,035,333 | - | 1,035,333 |
| Prepaid items | 97,033 | 3,693 | - | - | - | - | 429,355 | 530,081 | - | 530,081 |
| Total current assets | 72,916,427 | 3,045,902 | 2,555,212 | 24,156,312 | 5,200,265 | 7,237,595 | 4,048,735 | 119,160,448 | - | 119,160,448 |
| Non-current Assets | | | | | | | | | | |
| Land | - | - | - | - | - | - | - | - | 7,589,891 | 7,589,891 |
| Construction in progress | - | - | - | - | - | - | - | - | 21,203,810 | 21,203,810 |
| Other capital assets | - | - | - | - | - | 3,719,090 | 6,888,350 | 10,607,440 | 420,464,761 | 431,072,201 |
| Less accumulated depreciation | - | - | - | - | - | (2,536,679) | (6,040,200) | (8,576,879) | (177,318,925) | (185,895,804) |
| Total non-current assets | - | - | - | - | - | 1,182,411 | 848,150 | 2,030,561 | 271,939,537 | 273,970,098 |
| TOTAL ASSETS | 72,916,427 | 3,045,902 | 2,555,212 | 24,156,312 | 5,200,265 | 8,420,006 | 4,896,885 | 121,191,009 | 271,939,537 | 393,130,546 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | | | |
| Deferred outflows of resources related to pensions | - | - | - | - | - | - | - | - | 58,936,051 | 58,936,051 |
| Deferred outflows of resources related to OPEB | - | - | - | - | - | - | - | - | 3,064,388 | 3,064,388 |
| Loss on refunding of bonds | - | - | - | - | - | - | - | - | 4,165,352 | 4,165,352 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | - | - | - | - | - | - | - | - | 66,165,791 | 66,165,791 |
| LIABILITIES | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | |
| Accounts payable | 1,490,309 | 1,674,219 | - | 4,890,554 | - | 209,002 | 463,871 | 8,727,955 | 59,752 | 8,787,707 |
| Accrued payroll | 2,365,478 | 90,460 | - | - | - | 68,973 | 40,366 | 2,565,277 | 715,626 | 3,280,903 |
| Accrued interest | - | - | - | - | - | - | - | - | 1,749,567 | 1,749,567 |
| Unearned program and material fees | 17,328,612 | 126,228 | - | - | - | 1,053,653 | - | 18,508,493 | (1,218,771) | 17,289,722 |
| Due to other organizations | - | - | 1,031,240 | - | - | - | - | 1,031,240 | - | 1,031,240 |
| Due to student organizations | - | - | 1,181,957 | - | - | - | - | 1,181,957 | - | 1,181,957 |
| Current portion of compensated absences | - | - | - | - | - | - | - | - | 7,077,437 | 7,077,437 |
| Reserve for Encumbrance | - | - | - | 10,862,080 | - | - | - | 10,862,080 | (10,862,080) | - |
| Current portion of long-term obligations | - | - | - | - | - | - | - | - | 21,163,831 | 21,163,831 |
| Total current liabilities | 21,184,399 | 1,890,907 | 2,213,197 | 15,752,634 | - | 1,331,628 | 504,237 | 42,877,002 | 18,685,362 | 61,562,364 |
| Long-term Liabilities | | | | | | | | | | |
| Accrued compensated absences | - | - | - | - | - | - | - | - | 6,922,541 | 6,922,541 |
| General obligation notes payable | - | - | - | - | - | - | - | - | 144,490,000 | 144,490,000 |
| Capital lease | - | - | - | - | - | - | - | - | 32,227 | 32,227 |
| Net Pension Liability | - | - | - | - | - | - | - | - | 22,926,533 | 22,926,533 |
| Other long term liabilities | - | - | - | - | - | - | - | - | 12,356,173 | 12,356,173 |
| Other postemployment benefits | - | - | - | - | - | - | - | - | 21,655,475 | 21,655,475 |
| Total long-term liabilities | - | - | - | - | - | - | - | - | 208,382,949 | 208,382,949 |
| TOTAL LIABILITIES | 21,184,399 | 1,890,907 | 2,213,197 | 15,752,634 | - | 1,331,628 | 504,237 | 42,877,002 | 227,068,311 | 269,945,313 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | | |
| Deferred inflows of resources related to pensions | - | - | - | - | - | - | - | - | 31,622,228 | 31,622,228 |
| Deferred inflows of resources related to OPEB | - | - | - | - | - | - | - | - | 3,511,171 | 3,511,171 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | - | - | - | - | - | - | - | - | 35,133,399 | 35,133,399 |
| NET POSITION | | | | | | | | | | |
| Net investment in capital assets | - | - | - | 8,403,678 | - | 1,182,411 | 848,150 | 10,434,239 | 117,115,560 | 127,549,799 |
| Restricted for debt service | - | - | - | - | 5,200,265 | - | - | 5,200,265 | (1,749,567) | 3,450,698 |
| Unrestricted | 51,732,028 | 1,154,995 | 342,015 | - | - | 5,905,967 | 3,544,498 | 62,679,503 | (39,462,375) | 23,217,128 |
| TOTAL NET POSITION | \$ 51,732,028 | \$ 1,154,995 | \$ 342,015 | \$ 8,403,678 | \$ 5,200,265 | \$ 7,088,378 | \$ 4,392,648 | \$ 78,314,007 | \$ 75,903,618 | \$ 154,217,625 |

**MADISON AREA TECHNICAL COLLEGE DISTRICT
 SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL
 STATEMENTS TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2019**

BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

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

| | | |
|---------------|----|------------|
| State | | |
| Operating | \$ | 4,591,351 |
| Non-operating | | 73,147,052 |
| | \$ | 77,738,403 |

**MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL
STATEMENTS TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2019**

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

| | | |
|--|----|-------------------|
| Institutional revenue | | |
| Business and industry contract revenue | \$ | 2,630,612 |
| School District contract revenue | | 145,765 |
| Miscellaneous revenue | | 1,658,358 |
| Gifts, grants and bequest | | 5,784,420 |
| Cost reimbursements | | 78,243 |
| Investment income earned | | 1,999,259 |
| | | <u>1,999,259</u> |
| | \$ | <u>12,296,657</u> |

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

| | | |
|------------------|----|-------------------|
| Interest expense | | |
| Physical plant | \$ | 26,775,708 |
| Interest expense | | 4,369,669 |
| | | <u>4,369,669</u> |
| | \$ | <u>31,145,377</u> |

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

| | | |
|--|----|--------------------|
| Budgetary Basis fund balance | \$ | 78,314,007 |
| General capital assets capitalized | \$ | 449,258,462 |
| Accumulated depreciation on general capital assets | \$ | (177,318,925) |
| General obligation notes payable | \$ | (165,650,000) |
| Accrued AP liability for Arbitrage | \$ | (59,752) |
| Premiums on notes payable | \$ | (12,356,173) |
| Capital lease obligation | \$ | (36,058) |
| Compensated absences | \$ | (13,999,978) |
| Accrued interest on bonds | \$ | (1,749,567) |
| Summer school tuition earned | \$ | 1,218,771 |
| Summer school instructor wages paid | \$ | (715,626) |
| Encumbrances outstanding at year-end | \$ | 10,862,080 |
| Net Pension obligations | \$ | 4,387,290 |
| Net OPEB obligations | \$ | (22,102,258) |
| Refunding Loss | \$ | <u>4,165,352</u> |
| Net position per basic financial statements | \$ | <u>154,217,625</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>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|
| Net investment in capital assets | \$127,549,799 | \$113,911,774 | \$104,751,403 | \$ 91,226,801 | \$ 89,235,589 | \$ 83,024,787 | \$ 79,199,865 | \$ 67,916,189 | \$ 61,371,220 | \$ 73,505,606 |
| Restricted for capital acquisitions | - | 9,849,335 | - | - | - | - | - | - | - | - |
| Restricted for debt service | 3,450,698 | 3,057,209 | 2,283,377 | 2,119,451 | 1,754,739 | 1,041,837 | 3,278,488 | 4,395,282 | 1,820,545 | 1,222,142 |
| Restricted for pension asset | - | 19,199,954 | - | - | 16,814,521 | - | - | - | - | - |
| Unrestricted | 23,217,128 | 10,638,613 | 50,597,493 | 52,699,407 | 41,152,900 | 27,311,530 | 27,120,372 | 31,600,454 | 31,067,333 | 19,909,083 |
| Total Net Position | <u>\$154,217,625</u> | <u>\$156,656,885</u> | <u>\$157,632,273</u> | <u>\$146,045,659</u> | <u>\$148,957,749</u> | <u>\$111,378,154</u> | <u>\$ 109,598,725</u> | <u>\$ 103,911,925</u> | <u>\$ 94,259,098</u> | <u>\$ 94,636,831</u> |

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

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|-----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Operating revenues | | | | | | | | | | |
| Student program fees, net of scholarship | \$ 29,059,402 | \$ 29,928,213 | \$ 30,703,618 | \$ 32,589,460 | \$ 32,509,912 | \$ 32,150,441 | \$ 31,232,106 | \$ 31,686,298 | \$ 30,224,934 | \$ 31,542,627 |
| Student material fees, net of scholarship | 1,131,737 | 1,281,266 | 1,189,908 | 1,248,436 | 1,213,961 | 1,456,100 | 1,372,233 | 1,340,293 | 1,267,253 | 1,403,762 |
| Other student fees, net of scholarship | 2,309,648 | 2,184,923 | 2,144,304 | 2,368,872 | 2,200,736 | 1,739,035 | 1,762,434 | 1,170,728 | 1,401,037 | 1,546,099 |
| Federal grants | 19,724,619 | 19,515,611 | 19,621,514 | 21,762,419 | 22,648,311 | 22,444,775 | 23,578,321 | 23,129,978 | 23,502,656 | 20,404,153 |
| State grants | 4,591,351 | 4,482,074 | 4,977,457 | 6,447,173 | 5,363,910 | 3,656,319 | 3,462,942 | 3,188,602 | 4,252,491 | 3,865,494 |
| Business and industry contract revenue | 2,630,612 | 2,361,112 | 2,122,728 | 2,095,590 | 1,769,275 | 1,597,989 | 859,982 | 1,065,180 | 871,884 | 873,530 |
| School District contract revenue | 145,765 | 130,288 | 153,476 | 153,258 | 196,181 | 178,302 | 218,558 | 242,900 | 267,295 | 309,863 |
| Auxiliary enterprise revenues | 8,773,951 | 8,936,361 | 8,660,085 | 8,493,314 | 9,690,781 | 9,447,586 | 10,193,166 | 10,294,766 | 10,633,447 | 11,013,767 |
| Cost reimbursements | 78,243 | 84,196 | 82,491 | 81,750 | 83,019 | 79,975 | 87,194 | 79,664 | 68,224 | 74,717 |
| Miscellaneous | 1,658,358 | 1,601,715 | 1,775,781 | 2,122,492 | 1,988,004 | 1,767,401 | 1,853,790 | 1,615,392 | 3,445,334 | 2,324,132 |
| Total operating revenues | 70,103,686 | 70,505,759 | 71,431,362 | 77,362,764 | 77,664,090 | 74,517,923 | 74,620,726 | 73,813,801 | 75,934,555 | 73,358,144 |
| Operating expenses | | | | | | | | | | |
| Instruction | 110,929,832 | 109,283,605 | 111,372,469 | 111,211,738 | 110,963,880 | 112,485,244 | 110,735,748 | 103,801,205 | 109,064,599 | 106,258,865 |
| Instructional resources | 9,050,430 | 8,375,947 | 7,932,980 | 8,570,509 | 6,112,871 | 5,680,423 | 10,275,003 | 7,032,730 | 2,474,949 | 2,142,115 |
| Student services | 14,737,685 | 15,665,290 | 17,617,800 | 14,290,392 | 14,347,102 | 13,534,202 | 12,553,919 | 14,361,928 | 14,112,715 | 12,743,223 |
| General institutional | 12,932,027 | 15,010,440 | 14,362,871 | 13,998,775 | 18,280,779 | 16,792,372 | 15,679,095 | 15,006,634 | 14,731,034 | 13,932,730 |
| Physical plant | 26,775,708 | 21,266,611 | 10,796,326 | 27,561,679 | 13,511,787 | 14,985,883 | 12,527,817 | 15,435,723 | 13,418,770 | 15,563,948 |
| Public service | 469,556 | 415,723 | 365,999 | 664,045 | 348,639 | 395,696 | 347,053 | 360,280 | 272,402 | 250,254 |
| Auxiliary enterprise services | 11,952,149 | 10,557,217 | 12,160,275 | 9,547,330 | 9,681,632 | 9,220,930 | 9,850,599 | 9,931,538 | 14,270,939 | 10,602,225 |
| Depreciation | 22,132,771 | 20,735,136 | 20,028,875 | 19,326,838 | 19,538,063 | 19,057,163 | 15,257,608 | 11,484,474 | 9,845,434 | 7,355,105 |
| Student aid | 9,654,314 | 9,848,889 | 10,089,249 | 11,519,141 | 12,327,451 | 13,352,446 | 13,305,607 | 13,289,631 | 15,316,467 | 15,856,233 |
| Total operating expenses | 218,634,472 | 211,158,858 | 204,726,844 | 216,690,447 | 205,112,204 | 205,504,359 | 200,532,449 | 190,704,143 | 193,507,309 | 184,704,698 |
| Operating loss | (148,530,786) | (140,653,099) | (133,295,482) | (139,327,683) | (127,448,114) | (130,986,436) | (125,911,723) | (116,890,342) | (117,572,754) | (111,346,554) |
| Non-operating revenues (expenses) | | | | | | | | | | |
| Property taxes | 77,764,670 | 74,990,662 | 73,676,951 | 66,583,533 | 64,950,704 | 124,164,039 | 123,134,320 | 118,353,782 | 103,178,991 | 96,036,715 |
| State appropriations | 73,147,052 | 72,586,126 | 72,221,737 | 73,750,761 | 74,196,729 | 12,956,208 | 12,591,755 | 12,046,603 | 14,703,139 | 14,555,632 |
| Gifts, grants and bequests | 5,784,420 | 15,688,206 | 3,524,425 | 967,842 | 721,743 | 825,229 | 660,950 | 507,954 | 208,401 | 644,846 |
| Gain (loss) on disposal of capital assets | (8,234,206) | (27,035) | (144,957) | (158,325) | (262,602) | (13,792) | (5,465) | (145,712) | - | 54,347 |
| Investment income earned | 1,999,259 | 1,141,119 | 544,505 | 182,589 | 91,664 | 80,534 | 199,139 | 459,290 | 57,226 | 330,362 |
| Interest expense | (4,369,669) | (3,731,754) | (4,940,565) | (4,910,807) | (4,968,421) | (5,246,353) | (3,149,488) | (4,678,748) | (952,742) | (1,047,588) |
| Total non-operating revenues | 146,091,526 | 160,647,324 | 144,882,096 | 136,415,593 | 134,729,817 | 132,765,865 | 133,431,211 | 126,543,169 | 117,195,015 | 110,574,314 |
| INCREASE (DECREASE) IN NET POSITION | \$ (2,439,260) | \$ 19,994,225 | \$ 11,586,614 | \$ (2,912,090) | \$ 7,281,703 | \$ 1,779,429 | \$ 7,519,488 | \$ 9,652,827 | \$ (377,739) | \$ (772,240) |

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 |
|---------------|----------------|----------------|---------------|------------------------------|-------------|-------------|---------------|-------------------|----------------|-------------------------------------|--------------------------|
| 2009 | 50,600,204,900 | 16,119,589,400 | 1,427,680,200 | 658,563,400 | 266,615,900 | 413,641,200 | 1,790,582,000 | 1,840,161,500 | 73,117,038,500 | 72,154,407,451 | 1.31303 |
| % of Total | 69.2% | 22.0% | 2.0% | 0.9% | 0.4% | 0.6% | 2.4% | 2.5% | | | |
| 2010 | 48,374,961,900 | 16,356,586,600 | 1,429,021,400 | 656,579,700 | 269,221,000 | 394,712,000 | 1,709,273,200 | 1,794,513,100 | 70,984,868,900 | 70,035,643,183 | 1.47462 |
| % of Total | 68.1% | 23.0% | 2.0% | 0.9% | 0.4% | 0.6% | 2.4% | 2.5% | | | |
| 2011 | 48,281,413,000 | 15,761,347,200 | 1,422,285,100 | 627,588,900 | 248,517,200 | 376,942,900 | 1,689,525,100 | 1,704,475,500 | 70,112,094,900 | 69,185,451,307 | 1.70944 |
| % of Total | 68.9% | 22.5% | 2.0% | 0.9% | 0.4% | 0.5% | 2.4% | 2.4% | | | |
| 2012 | 47,009,477,900 | 15,732,402,000 | 1,400,086,900 | 608,345,800 | 268,804,600 | 355,649,500 | 1,701,923,900 | 1,697,416,500 | 68,774,107,100 | 67,889,606,595 | 1.81563 |
| % of Total | 68.4% | 22.9% | 2.0% | 0.9% | 0.4% | 0.5% | 2.5% | 2.5% | | | |
| 2013 | 46,555,092,100 | 15,985,403,100 | 1,448,938,000 | 595,947,100 | 284,204,800 | 339,549,500 | 1,725,196,900 | 1,738,021,200 | 68,672,352,700 | 67,791,393,219 | 1.84099 |
| % of Total | 67.8% | 23.3% | 2.1% | 0.9% | 0.4% | 0.5% | 2.5% | 2.5% | | | |
| 2014 | 47,981,951,300 | 16,693,971,200 | 1,485,495,900 | 579,806,800 | 308,763,300 | 338,305,000 | 1,756,427,600 | 1,778,041,400 | 70,922,762,500 | 70,029,189,137 | 0.93374 |
| % of Total | 67.7% | 23.5% | 2.1% | 0.8% | 0.4% | 0.5% | 2.5% | 2.5% | | | |
| 2015 | 49,870,622,600 | 17,514,445,200 | 1,510,717,750 | 580,292,700 | 298,031,400 | 315,470,800 | 1,814,528,400 | 1,832,634,000 | 73,736,742,850 | 72,808,813,990 | 0.92735 |
| % of Total | 67.6% | 23.8% | 2.0% | 0.8% | 0.4% | 0.4% | 2.5% | 2.5% | | | |
| 2016 | 52,029,720,700 | 18,303,215,900 | 1,541,017,050 | 590,511,900 | 313,717,600 | 329,516,500 | 1,824,890,700 | 1,855,908,100 | 76,788,498,450 | 75,829,290,803 | 0.96574 |
| % of Total | 67.8% | 23.8% | 2.0% | 0.8% | 0.4% | 0.4% | 2.4% | 2.4% | | | |
| 2017 | 54,946,447,700 | 20,282,777,900 | 1,623,403,550 | 600,387,000 | 294,925,000 | 343,866,300 | 1,765,246,200 | 1,935,287,300 | 81,792,340,950 | 80,798,164,912 | 0.94179 |
| % of Total | 67.2% | 24.8% | 2.0% | 0.7% | 0.4% | 0.4% | 2.2% | 2.4% | | | |
| 2018 | 58,694,289,500 | 22,033,315,800 | 1,689,224,600 | 610,892,400 | 305,505,400 | 348,576,700 | 1,772,242,200 | 1,411,606,500 | 86,865,653,100 | 85,825,747,469 | 0.90960 |
| % of Total | 67.6% | 25.4% | 1.9% | 0.7% | 0.4% | 0.4% | 2.0% | 1.6% | | | |

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

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

MADISON AREA TECHNICAL COLLEGE DISTRICT

DIRECT AND OVERLAPPING ⁽²⁾ PROPERTY TAX RATES

Last Ten Years

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

| | Calendar Year Taxes are Payable | | | | | | | | | |
|------------------------|---------------------------------|---------|---------|---------|---------|---------|------------|------------|------------|------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| District direct rates | | | | | | | | | | |
| Operational (1) | 0.50348 | 0.51343 | 0.51176 | 0.50821 | 0.50028 | 1.39401 | \$ 1.37085 | \$ 1.34174 | \$ 1.32749 | \$ 1.18113 |
| Debt Service | 0.40612 | 0.42836 | 0.45398 | 0.41914 | 0.43346 | 0.44698 | 0.44479 | 0.36770 | 0.14713 | 0.13190 |
| Total Direct Rate | 0.90960 | 0.94179 | 0.96574 | 0.92735 | 0.93374 | 1.84099 | 1.81564 | 1.70944 | 1.47462 | 1.31303 |
| Adams County | | | | | | | | | | |
| T Dell Prairie | 18.11 | 17.57 | 17.87 | 17.71 | 18.09 | 18.90 | 17.97 | 17.31 | 16.66 | 15.00 |
| T Jackson | 18.07 | 18.24 | 18.58 | 18.89 | 19.08 | 20.45 | 19.24 | 18.38 | 18.12 | 16.44 |
| T New Haven | 19.10 | 18.57 | 19.24 | 18.62 | 19.37 | 20.17 | 19.16 | 18.67 | 18.08 | 16.41 |
| T Springville | 18.05 | 18.55 | 18.96 | 19.37 | 19.39 | 20.94 | 19.90 | 18.92 | 18.50 | 16.78 |
| C Wisconsin Dells | 26.44 | 25.50 | 26.06 | 25.74 | 26.99 | 27.82 | 26.57 | 26.13 | 25.62 | 22.89 |
| Columbia County | | | | | | | | | | |
| T Arlington | 19.94 | 20.28 | 20.61 | 21.28 | 21.48 | 22.88 | 22.04 | 21.88 | 20.73 | 19.63 |
| T Caledonia | 16.33 | 16.50 | 16.82 | 17.44 | 17.48 | 18.09 | 18.32 | 17.78 | 16.98 | 16.51 |
| T Columbus | 17.54 | 18.16 | 19.03 | 19.88 | 20.47 | 21.74 | 21.26 | 20.68 | 19.77 | 18.31 |
| T Courtland | 21.27 | 21.73 | 21.47 | 21.08 | 19.18 | 20.75 | 20.52 | 19.49 | 19.00 | 17.35 |
| T Dekorra | 17.31 | 17.78 | 17.82 | 18.51 | 18.55 | 20.43 | 19.10 | 18.89 | 17.81 | 17.06 |
| T Fort Winnebago | 17.02 | 17.20 | 17.62 | 18.21 | 18.30 | 18.95 | 19.35 | 18.73 | 17.73 | 17.41 |
| T Fountain Prairie | 19.48 | 21.13 | 21.45 | 21.04 | 21.37 | 22.34 | 22.75 | 22.43 | 21.42 | 19.72 |
| T Hampden | 17.91 | 18.59 | 19.26 | 20.18 | 20.55 | 21.86 | 21.21 | 20.69 | 19.91 | 18.28 |
| T Leeds | 19.36 | 19.83 | 20.37 | 20.84 | 21.00 | 22.29 | 21.87 | 21.70 | 20.76 | 19.17 |
| T Lewiston | 16.99 | 17.15 | 17.54 | 18.11 | 18.19 | 18.78 | 19.16 | 18.62 | 17.56 | 17.18 |
| T Lodi | 18.61 | 18.80 | 19.59 | 19.67 | 20.01 | 20.63 | 19.90 | 20.32 | 19.35 | 18.52 |
| T Lowville | 18.57 | 19.31 | 19.13 | 19.71 | 19.35 | 20.53 | 18.92 | 19.05 | 19.32 | 17.66 |
| T Marcellon | 18.09 | 18.89 | 17.81 | 18.77 | 18.83 | 20.29 | 19.62 | 19.21 | 18.52 | 17.61 |
| T Newport | 17.32 | 16.71 | 17.28 | 17.28 | 17.04 | 17.77 | 17.16 | 16.60 | 16.03 | 14.64 |
| T Otsego | 20.81 | 22.02 | 21.85 | 22.14 | 21.08 | 21.44 | 19.43 | 19.80 | 21.54 | 19.27 |
| T Pacific | 13.67 | 13.96 | 13.53 | 13.85 | 14.44 | 16.22 | 14.67 | 14.77 | 13.81 | 12.83 |
| T Randolph | 19.51 | 19.68 | 19.35 | 18.54 | 17.06 | 19.18 | 18.63 | 18.41 | 17.81 | 16.30 |
| T Scott | 18.62 | 18.99 | 18.48 | 18.04 | 17.75 | 19.92 | 19.41 | 19.24 | 18.66 | 17.33 |
| T Springvale | 20.11 | 20.69 | 19.86 | 19.66 | 18.86 | 20.23 | 18.79 | 18.71 | 19.31 | 17.74 |
| T West Point | 17.53 | 17.79 | 18.25 | 18.80 | 19.04 | 19.62 | 19.08 | 18.90 | 18.24 | 17.30 |
| T Wyocena | 18.11 | 18.95 | 18.05 | 18.64 | 18.50 | 19.52 | 18.69 | 18.64 | 18.23 | 17.24 |
| V Arlington | 20.71 | 21.08 | 20.64 | 21.60 | 21.34 | 23.22 | 23.03 | 22.47 | 21.35 | 21.06 |
| V Cambria | 28.32 | 27.71 | 27.70 | 26.03 | 25.46 | 28.48 | 26.89 | 25.73 | 24.94 | 23.36 |
| V Doylestown | 19.10 | 20.24 | 20.06 | 20.22 | 19.21 | 19.38 | 17.05 | 17.84 | 19.79 | 17.68 |
| V Fall River | 19.79 | 21.55 | 22.12 | 21.70 | 21.33 | 22.48 | 23.14 | 23.01 | 21.90 | 20.28 |
| V Friesland | 23.77 | 22.99 | 22.91 | 21.45 | 20.74 | 23.71 | 22.58 | 21.52 | 21.01 | 19.01 |

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 | | | | | | | | | |
|--------------------|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| V Pardeeville | 21.25 | 22.14 | 21.20 | 22.53 | 22.46 | 24.26 | 23.67 | 23.70 | 22.95 | 21.73 |
| V Poynette | 23.78 | 24.56 | 24.92 | 25.74 | 25.69 | 28.07 | 26.74 | 25.48 | 24.69 | 23.01 |
| V Randolph | 27.56 | 29.49 | 29.45 | 30.12 | 26.58 | 27.51 | 28.03 | 26.48 | 25.46 | 24.47 |
| V Rio | 25.28 | 26.65 | 26.80 | 26.53 | 25.76 | 25.68 | 22.98 | 23.84 | 25.13 | 22.60 |
| V Wyocena | 23.67 | 23.81 | 22.60 | 23.50 | 23.21 | 24.33 | 23.81 | 23.35 | 22.55 | 21.48 |
| C Columbus | 22.70 | 23.41 | 24.39 | 25.19 | 25.85 | 27.15 | 26.64 | 25.86 | 24.98 | 23.46 |
| C Lodi | 24.28 | 24.17 | 25.19 | 25.15 | 25.27 | 26.28 | 25.00 | 25.60 | 24.57 | 23.24 |
| C Portage | 24.16 | 24.38 | 24.59 | 25.10 | 25.12 | 25.58 | 26.24 | 24.70 | 23.80 | 23.15 |
| C Wisconsin Dells | 24.18 | 23.20 | 23.64 | 23.36 | 24.51 | 25.10 | 24.20 | 23.85 | 23.33 | 21.00 |
| Dane County | | | | | | | | | | |
| T Albion | 17.99 | 17.94 | 18.23 | 18.08 | 17.63 | 18.95 | 19.35 | 17.98 | 17.40 | 16.03 |
| T Berry | 17.57 | 18.37 | 18.66 | 19.43 | 19.02 | 19.74 | 18.95 | 18.02 | 18.09 | 16.83 |
| T Black Earth | 19.43 | 19.50 | 19.99 | 20.16 | 19.51 | 20.44 | 19.63 | 18.47 | 18.63 | 17.40 |
| T Blooming Grove | 18.26 | 18.88 | 19.71 | 19.89 | 21.59 | 22.08 | 21.70 | 21.11 | 20.41 | 19.04 |
| T Blue Mounds | 16.22 | 17.25 | 16.18 | 16.56 | 17.54 | 18.08 | 17.57 | 17.20 | 16.36 | 15.25 |
| T Bristol | 17.50 | 17.83 | 18.33 | 18.69 | 18.84 | 20.14 | 19.46 | 19.03 | 18.22 | 16.85 |
| T Burke | 17.12 | 17.52 | 18.34 | 18.66 | 18.70 | 19.82 | 19.46 | 19.33 | 18.59 | 16.86 |
| T Christiana | 14.94 | 16.34 | 17.25 | 17.19 | 17.12 | 18.58 | 18.96 | 18.12 | 17.60 | 16.02 |
| T Cottage Grove | 20.27 | 21.11 | 21.85 | 21.05 | 21.90 | 23.04 | 22.21 | 21.72 | 21.04 | 19.60 |
| T Cross Plains | 16.85 | 18.03 | 17.86 | 18.30 | 18.43 | 18.70 | 18.26 | 17.53 | 16.93 | 15.70 |
| T Dane | 17.44 | 17.73 | 18.02 | 18.18 | 18.28 | 18.92 | 18.31 | 18.56 | 17.90 | 16.91 |
| T Deerfield | 17.88 | 18.97 | 19.95 | 20.12 | 20.50 | 21.17 | 21.39 | 20.95 | 19.22 | 17.81 |
| T Dunkirk | 18.13 | 18.97 | 19.03 | 19.25 | 19.16 | 20.06 | 19.68 | 17.81 | 16.81 | 15.29 |
| T Dunn | 18.23 | 18.67 | 18.89 | 19.05 | 19.22 | 20.22 | 20.22 | 18.78 | 18.01 | 16.57 |
| T Madison | 22.05 | 22.21 | 22.88 | 22.93 | 22.65 | 24.32 | 24.11 | 23.28 | 22.72 | 21.23 |
| T Mazomanie | 17.22 | 17.78 | 18.02 | 18.33 | 17.73 | 18.61 | 17.99 | 16.80 | 16.98 | 15.97 |
| T Medina | 18.64 | 20.11 | 18.68 | 20.53 | 20.52 | 21.77 | 19.02 | 17.99 | 17.33 | 16.51 |
| T Middleton | 16.33 | 17.33 | 17.81 | 18.85 | 18.78 | 19.43 | 19.01 | 18.25 | 18.18 | 16.86 |
| T Montrose | 18.18 | 19.61 | 18.74 | 18.95 | 18.85 | 19.75 | 19.09 | 18.11 | 17.19 | 16.34 |
| T Oregon | 17.93 | 18.50 | 18.93 | 19.23 | 18.96 | 20.18 | 19.85 | 19.22 | 18.54 | 17.21 |
| T Perry | 18.42 | 19.21 | 18.30 | 18.61 | 19.08 | 19.87 | 18.73 | 18.37 | 17.55 | 16.29 |
| T Pleasant Springs | 17.54 | 17.69 | 17.32 | 17.40 | 17.33 | 18.39 | 18.21 | 16.76 | 15.92 | 14.67 |
| T Primrose | 17.69 | 18.62 | 18.23 | 18.53 | 18.77 | 18.99 | 18.73 | 18.58 | 17.67 | 16.36 |
| T Roxbury | 16.41 | 16.50 | 16.66 | 17.61 | 17.73 | 18.16 | 17.63 | 17.17 | 17.05 | 15.74 |
| T Rutland | 18.10 | 18.84 | 18.96 | 19.23 | 19.12 | 20.33 | 19.88 | 18.61 | 17.85 | 15.99 |
| T Springdale | 16.62 | 17.36 | 16.47 | 16.70 | 17.31 | 17.96 | 17.56 | 17.03 | 16.26 | 15.09 |
| T Springfield | 16.11 | 16.97 | 17.39 | 18.34 | 17.82 | 18.45 | 18.09 | 17.49 | 17.51 | 16.23 |
| T Sun Prairie | 18.67 | 19.15 | 19.56 | 20.12 | 20.08 | 21.31 | 20.44 | 19.85 | 19.03 | 17.82 |

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 | | | | | | | | | |
|-------------------|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| T Vermont | 17.70 | 18.59 | 18.62 | 18.92 | 18.87 | 19.74 | 19.00 | 18.25 | 17.95 | 16.73 |
| T Verona | 20.41 | 20.87 | 20.34 | 20.41 | 20.32 | 21.51 | 21.83 | 20.94 | 20.47 | 19.29 |
| T Vienna | 17.59 | 18.32 | 19.08 | 19.30 | 19.14 | 20.10 | 19.67 | 19.81 | 19.34 | 18.00 |
| T Westport | 17.06 | 17.79 | 18.15 | 18.47 | 18.21 | 19.05 | 18.77 | 18.25 | 17.93 | 16.74 |
| T Windsor | 0.00 | 0.00 | 0.00 | 20.97 | 21.28 | 22.26 | 21.75 | 21.53 | 20.73 | 18.38 |
| T York | 17.07 | 17.87 | 18.03 | 19.08 | 19.30 | 20.47 | 19.12 | 18.49 | 17.53 | 16.60 |
| V Belleville | 22.86 | 24.79 | 23.99 | 24.08 | 24.05 | 24.72 | 23.91 | 22.34 | 20.95 | 20.45 |
| V Black Earth | 21.10 | 22.70 | 23.53 | 24.25 | 23.28 | 21.66 | 22.87 | 21.21 | 21.70 | 20.47 |
| V Blue Mounds | 21.11 | 22.47 | 21.76 | 22.14 | 22.26 | 23.08 | 21.96 | 21.35 | 20.59 | 18.92 |
| V Brooklyn | 24.02 | 24.44 | 24.79 | 25.63 | 25.82 | 26.38 | 25.12 | 24.74 | 23.47 | 21.83 |
| V Cambridge | 21.72 | 23.66 | 25.01 | 25.15 | 24.70 | 26.25 | 26.27 | 25.11 | 24.65 | 22.55 |
| V Cottage Grove | 23.07 | 23.64 | 24.10 | 23.12 | 23.66 | 23.86 | 22.71 | 22.37 | 21.92 | 20.72 |
| V Cross Plains | 21.32 | 21.85 | 22.06 | 22.79 | 22.67 | 23.17 | 22.83 | 22.13 | 22.02 | 20.30 |
| V Dane | 21.95 | 23.10 | 23.81 | 23.96 | 24.11 | 24.88 | 23.04 | 23.07 | 22.30 | 20.75 |
| V Deerfield | 21.29 | 23.10 | 24.08 | 23.85 | 24.67 | 24.37 | 24.06 | 24.01 | 22.16 | 20.78 |
| V Deforest | 20.93 | 21.41 | 22.41 | 22.70 | 22.64 | 23.76 | 23.50 | 23.02 | 22.12 | 20.29 |
| V Maple Bluff | 21.39 | 22.14 | 22.86 | 23.10 | 23.34 | 23.36 | 22.89 | 22.21 | 22.10 | 20.39 |
| V Marshall | 22.13 | 23.98 | 23.60 | 25.78 | 25.61 | 26.28 | 23.19 | 21.46 | 20.66 | 19.94 |
| V Mazomanie | 22.75 | 23.36 | 23.88 | 23.87 | 23.30 | 24.57 | 22.94 | 22.04 | 21.65 | 20.47 |
| V McFarland | 22.67 | 22.81 | 23.63 | 23.14 | 23.86 | 24.95 | 24.84 | 23.38 | 22.88 | 21.38 |
| V Mount Horeb | 20.81 | 21.35 | 20.39 | 20.37 | 21.27 | 22.06 | 21.43 | 21.00 | 20.12 | 18.93 |
| V Oregon | 20.62 | 21.08 | 21.50 | 22.07 | 21.80 | 23.23 | 22.74 | 22.15 | 21.25 | 19.92 |
| V Rockdale | 17.93 | 20.48 | 21.75 | 21.73 | 21.69 | 23.36 | 23.69 | 22.79 | 22.32 | 20.51 |
| V Shorewood Hills | 20.59 | 21.18 | 21.42 | 21.67 | 21.50 | 22.46 | 21.86 | 20.79 | 20.17 | 18.74 |
| V Waunakee | 20.74 | 21.57 | 21.98 | 22.15 | 22.09 | 23.36 | 23.20 | 22.66 | 22.11 | 20.96 |
| V Windsor | 18.70 | 19.34 | 20.54 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| C Edgerton | 21.75 | 22.10 | 22.55 | 22.59 | 22.43 | 23.84 | 23.93 | 22.28 | 21.56 | 19.80 |
| C Fitchburg | 23.68 | 24.64 | 24.54 | 24.42 | 24.06 | 25.07 | 24.66 | 23.89 | 23.01 | 21.08 |
| C Madison | 23.38 | 24.54 | 25.16 | 25.25 | 25.11 | 26.04 | 25.40 | 24.37 | 23.53 | 21.73 |
| C Middleton | 19.25 | 20.36 | 20.91 | 22.48 | 22.32 | 22.51 | 21.77 | 20.78 | 20.35 | 19.02 |
| C Monona | 23.05 | 23.73 | 24.42 | 23.26 | 23.71 | 24.94 | 23.86 | 23.63 | 22.49 | 21.24 |
| C Stoughton | 22.96 | 23.87 | 23.96 | 24.34 | 24.20 | 25.17 | 24.52 | 22.44 | 21.17 | 19.85 |
| C Sun Prairie | 23.40 | 23.99 | 24.71 | 25.26 | 25.51 | 26.69 | 26.18 | 25.47 | 24.52 | 22.86 |
| C Verona | 21.67 | 22.05 | 21.95 | 22.80 | 22.91 | 24.12 | 24.30 | 23.51 | 23.01 | 21.68 |
| Dodge County | | | | | | | | | | |
| T Calamus | 18.33 | 18.97 | 18.42 | 18.52 | 18.65 | 19.76 | 20.04 | 20.16 | 20.21 | 18.75 |
| T Clyman | 19.09 | 20.08 | 20.90 | 21.05 | 21.15 | 22.04 | 21.43 | 21.14 | 21.12 | 19.99 |
| T Elba | 17.86 | 18.42 | 19.27 | 19.82 | 20.20 | 21.59 | 20.85 | 20.17 | 19.48 | 19.01 |

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 | | | | | | | | | |
|------------------|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| T Emmet | 17.72 | 17.92 | 18.50 | 18.41 | 18.87 | 20.30 | 20.38 | 19.68 | 19.00 | 17.55 |
| T Fox Lake | 19.43 | 19.91 | 19.50 | 20.23 | 19.81 | 21.22 | 20.95 | 20.03 | 20.02 | 18.09 |
| T Lebanon | 19.10 | 19.41 | 20.05 | 20.01 | 19.84 | 21.45 | 21.30 | 20.49 | 19.84 | 18.62 |
| T Lowell | 19.88 | 20.71 | 21.03 | 21.41 | 21.25 | 22.57 | 22.12 | 19.74 | 22.22 | 21.46 |
| T Portland | 18.88 | 18.80 | 19.07 | 20.20 | 20.12 | 21.28 | 20.41 | 20.63 | 19.43 | 19.29 |
| T Shields | 18.52 | 18.47 | 18.89 | 18.75 | 19.18 | 20.56 | 20.73 | 20.14 | 19.48 | 18.01 |
| T Westford | 18.16 | 19.02 | 18.30 | 18.45 | 17.40 | 18.27 | 18.56 | 18.13 | 18.28 | 17.05 |
| V Randolph | 30.61 | 32.32 | 31.84 | 33.00 | 29.01 | 30.08 | 30.96 | 29.28 | 28.16 | 26.62 |
| C Watertown | 24.39 | 24.93 | 25.54 | 25.40 | 25.62 | 26.81 | 26.63 | 25.27 | 24.30 | 22.17 |
| Green County | | | | | | | | | | |
| T Adams | 21.32 | 22.57 | 21.95 | 20.30 | 21.14 | 22.22 | 22.26 | 21.97 | 21.60 | 20.54 |
| T Brooklyn | 22.65 | 23.45 | 23.28 | 23.92 | 23.90 | 23.24 | 22.59 | 22.12 | 21.35 | 20.22 |
| T Exeter | 19.51 | 20.82 | 20.30 | 20.58 | 20.82 | 21.83 | 21.16 | 20.35 | 19.19 | 18.43 |
| T New Glarus | 22.93 | 23.10 | 23.25 | 23.70 | 23.54 | 24.55 | 23.97 | 23.98 | 23.02 | 21.63 |
| T Washington | 20.92 | 20.80 | 21.08 | 21.53 | 22.29 | 23.72 | 23.08 | 22.41 | 22.19 | 21.19 |
| T York | 20.80 | 21.15 | 21.01 | 21.27 | 21.95 | 23.14 | 22.70 | 22.71 | 22.37 | 21.45 |
| V Belleville | 25.27 | 27.03 | 26.26 | 26.44 | 26.51 | 27.28 | 26.51 | 25.00 | 23.60 | 23.17 |
| V Brooklyn | 26.33 | 26.56 | 26.98 | 27.98 | 28.30 | 28.97 | 27.77 | 27.47 | 26.14 | 24.56 |
| V New Glarus | 26.17 | 26.75 | 27.34 | 27.92 | 28.31 | 29.34 | 28.60 | 28.66 | 27.19 | 25.47 |
| Iowa County | | | | | | | | | | |
| T Arena | 18.56 | 18.92 | 19.85 | 19.46 | 19.90 | 20.75 | 20.10 | 19.48 | 19.21 | 18.19 |
| T Clyde | 20.90 | 21.22 | 21.61 | 21.07 | 21.38 | 22.44 | 21.73 | 21.29 | 21.61 | 19.51 |
| T Dodgeville | 20.67 | 21.01 | 21.69 | 20.05 | 20.67 | 22.84 | 21.97 | 21.59 | 21.53 | 20.51 |
| T Moscow | 25.29 | 23.98 | 23.37 | 23.04 | 24.37 | 25.25 | 24.49 | 24.50 | 24.87 | 23.88 |
| T Ridgeway | 22.73 | 23.23 | 23.99 | 22.54 | 23.21 | 25.45 | 24.94 | 24.34 | 24.18 | 24.00 |
| T Wyoming | 19.40 | 19.48 | 20.36 | 19.58 | 20.19 | 22.24 | 20.73 | 20.38 | 20.17 | 19.14 |
| V Arena | 26.13 | 26.84 | 28.43 | 28.08 | 27.59 | 28.42 | 27.01 | 25.88 | 26.98 | 25.77 |
| Jefferson County | | | | | | | | | | |
| T Aztalan | 18.36 | 19.01 | 19.77 | 19.72 | 20.04 | 20.25 | 20.14 | 19.22 | 18.39 | 16.78 |
| T Cold Spring | 18.43 | 18.50 | 18.88 | 18.82 | 19.23 | 19.87 | 19.27 | 18.48 | 18.26 | 16.70 |
| T Concord | 16.93 | 17.20 | 17.71 | 17.88 | 18.11 | 18.99 | 19.24 | 18.03 | 17.45 | 16.07 |
| T Farmington | 17.81 | 17.70 | 18.16 | 17.81 | 17.87 | 17.35 | 17.29 | 16.63 | 15.85 | 14.66 |
| T Hebron | 18.63 | 18.60 | 19.82 | 19.73 | 20.02 | 21.12 | 20.76 | 18.71 | 17.97 | 16.34 |
| T Ixonia | 17.76 | 17.03 | 17.50 | 17.90 | 18.04 | 19.30 | 19.58 | 18.23 | 17.79 | 16.67 |
| T Jefferson | 19.37 | 18.48 | 19.40 | 19.47 | 19.45 | 20.26 | 20.02 | 19.60 | 17.68 | 15.82 |
| T Koshkonong | 16.99 | 17.19 | 17.94 | 17.84 | 17.90 | 19.19 | 18.82 | 18.13 | 17.60 | 16.14 |

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 | | | | | | | | | |
|--------------------|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| T Lake Mills | 16.20 | 16.91 | 17.90 | 17.94 | 17.82 | 19.04 | 18.96 | 17.34 | 17.20 | 15.90 |
| T Milford | 15.99 | 16.65 | 17.94 | 18.40 | 18.01 | 18.98 | 18.48 | 17.09 | 16.75 | 15.50 |
| T Oakland | 18.59 | 19.71 | 20.77 | 20.58 | 20.62 | 22.14 | 22.39 | 21.39 | 20.94 | 19.32 |
| T Palmyra | 17.92 | 17.94 | 18.20 | 18.76 | 19.25 | 19.67 | 19.09 | 18.69 | 17.81 | 16.70 |
| T Sullivan | 18.95 | 18.68 | 19.25 | 19.48 | 19.93 | 20.64 | 20.40 | 19.78 | 18.68 | 17.22 |
| T Sumner | 17.91 | 17.95 | 18.76 | 18.83 | 18.72 | 19.86 | 19.87 | 18.89 | 18.37 | 16.89 |
| T Waterloo | 17.58 | 17.78 | 18.05 | 19.07 | 19.25 | 20.10 | 19.37 | 18.90 | 18.01 | 17.38 |
| T Watertown | 15.56 | 15.75 | 16.23 | 16.21 | 16.55 | 17.50 | 17.52 | 16.74 | 16.18 | 14.70 |
| V Cambridge | 22.61 | 24.94 | 26.46 | 26.61 | 26.06 | 27.57 | 27.66 | 26.36 | 25.99 | 23.07 |
| V Johnson Creek | 23.38 | 23.86 | 24.45 | 24.72 | 24.50 | 22.98 | 22.72 | 21.04 | 20.33 | 19.41 |
| V Sullivan | 23.45 | 22.82 | 23.39 | 23.33 | 23.95 | 24.89 | 24.18 | 23.67 | 22.22 | 19.05 |
| C Fort Atkinson | 23.74 | 23.94 | 25.17 | 24.75 | 24.50 | 26.04 | 25.25 | 24.41 | 23.93 | 21.93 |
| C Jefferson | 25.24 | 24.53 | 25.75 | 25.44 | 26.03 | 26.51 | 25.72 | 24.62 | 22.98 | 20.65 |
| C Lake Mills | 22.11 | 22.87 | 24.01 | 24.12 | 23.68 | 25.37 | 24.92 | 23.04 | 22.73 | 21.28 |
| C Waterloo | 24.42 | 24.66 | 24.80 | 26.21 | 26.78 | 28.05 | 26.07 | 26.29 | 24.49 | 24.27 |
| C Watertown | 23.22 | 23.83 | 24.45 | 24.28 | 24.57 | 25.61 | 25.34 | 23.92 | 23.00 | 20.84 |
| C Whitewater | 23.28 | 22.94 | 22.89 | 22.50 | 23.01 | 23.31 | 22.64 | 21.68 | 21.50 | 19.78 |
| Juneau County | | | | | | | | | | |
| T Lindina | 20.72 | 20.45 | 20.94 | 21.94 | 22.23 | 24.23 | 22.89 | 22.78 | 22.13 | 21.00 |
| T Lyndon | 18.75 | 18.43 | 18.93 | 19.11 | 19.57 | 20.62 | 19.71 | 19.24 | 18.60 | 17.01 |
| T Seven Mile Creek | 24.19 | 24.11 | 24.54 | 25.60 | 26.14 | 27.90 | 26.39 | 26.17 | 25.33 | 24.07 |
| T Summit | 22.69 | 23.96 | 24.53 | 25.45 | 26.65 | 27.71 | 26.22 | 26.45 | 24.92 | 23.38 |
| T Wonewoc | 21.53 | 23.07 | 23.72 | 24.74 | 25.06 | 26.96 | 24.59 | 24.02 | 23.86 | 21.34 |
| V Union Center | 22.37 | 24.96 | 25.32 | 26.15 | 27.40 | 28.28 | 25.47 | 25.21 | 24.11 | 22.06 |
| V Wonewoc | 25.47 | 27.29 | 28.28 | 28.65 | 29.64 | 31.19 | 28.82 | 28.93 | 26.80 | 24.42 |
| C Wisconsin Dells | 25.65 | 24.86 | 25.22 | 25.04 | 26.27 | 26.70 | 25.60 | 25.34 | 24.70 | 22.14 |
| Marquette County | | | | | | | | | | |
| T Buffalo | 19.19 | 19.74 | 20.58 | 19.11 | 18.58 | 19.67 | 18.65 | 17.55 | 17.17 | 17.45 |
| T Crystal Lake | 17.99 | 18.36 | 18.10 | 19.21 | 19.11 | 20.25 | 19.22 | 18.14 | 18.40 | 16.55 |
| T Douglas | 19.58 | 19.11 | 19.29 | 19.62 | 19.61 | 20.35 | 19.65 | 18.73 | 18.22 | 16.73 |
| T Harris | 18.78 | 19.54 | 19.17 | 20.48 | 20.16 | 20.56 | 19.47 | 18.40 | 18.74 | 16.90 |
| T Mecan | 19.35 | 19.64 | 20.18 | 19.39 | 18.61 | 19.67 | 18.71 | 17.61 | 17.20 | 17.36 |
| T Montello | 19.11 | 19.68 | 20.48 | 19.09 | 18.58 | 19.59 | 18.57 | 17.59 | 17.21 | 17.40 |
| T Moundville | 20.45 | 20.26 | 20.50 | 20.55 | 20.11 | 20.78 | 20.89 | 20.00 | 19.11 | 18.23 |
| T Neshkoro | 18.39 | 18.86 | 18.43 | 19.60 | 19.12 | 20.30 | 19.24 | 18.11 | 18.23 | 16.63 |
| T Newton | 18.50 | 18.92 | 18.91 | 20.24 | 20.05 | 21.23 | 19.97 | 18.89 | 19.22 | 17.37 |
| T Oxford | 18.46 | 18.83 | 18.99 | 20.21 | 19.69 | 20.80 | 19.33 | 18.18 | 18.46 | 16.66 |

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 | | | | | | | | | |
|------------------|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| T Packwaukee | 19.67 | 20.18 | 21.05 | 19.72 | 19.07 | 20.30 | 19.06 | 18.02 | 17.72 | 17.72 |
| T Shields | 19.62 | 20.23 | 21.06 | 19.56 | 19.01 | 20.04 | 18.98 | 17.93 | 17.52 | 17.79 |
| T Springfield | 17.63 | 18.04 | 17.99 | 19.18 | 18.98 | 20.14 | 19.09 | 18.00 | 18.32 | 16.50 |
| T Westfield | 17.60 | 17.99 | 17.98 | 19.18 | 18.94 | 19.85 | 18.77 | 17.74 | 18.06 | 16.28 |
| V Endeavor | 26.34 | 26.62 | 26.48 | 26.73 | 26.10 | 26.41 | 26.16 | 25.02 | 24.14 | 22.90 |
| V Neshkoro | 22.78 | 23.09 | 22.95 | 24.14 | 24.01 | 24.99 | 24.01 | 22.75 | 22.98 | 21.01 |
| V Oxford | 22.63 | 23.19 | 23.45 | 24.81 | 24.53 | 25.83 | 24.25 | 23.03 | 23.52 | 21.87 |
| V Westfield | 25.37 | 25.82 | 25.96 | 27.17 | 27.00 | 28.12 | 26.79 | 25.52 | 25.39 | 23.82 |
| C Montello | 27.60 | 27.97 | 29.68 | 28.27 | 26.84 | 26.53 | 25.85 | 24.32 | 23.16 | 23.24 |
| Richland County | | | | | | | | | | |
| T Buena Vista | 19.07 | 19.23 | 18.66 | 19.08 | 19.28 | 19.96 | 19.77 | 18.99 | 19.34 | 19.47 |
| T Ithaca | 24.57 | 23.86 | 22.55 | 23.82 | 23.31 | 25.03 | 25.31 | 25.50 | 25.19 | 24.38 |
| T Westford | 24.71 | 24.13 | 23.13 | 24.90 | 23.82 | 25.11 | 25.31 | 23.18 | 24.46 | 23.15 |
| V Lone Rock | 21.92 | 22.21 | 22.07 | 22.25 | 22.84 | 23.99 | 23.01 | 22.11 | 21.76 | 21.12 |
| Rock County | | | | | | | | | | |
| T Porter | 20.09 | 20.65 | 21.11 | 21.75 | 21.75 | 22.28 | 22.02 | 20.88 | 20.31 | 18.98 |
| T Union | 21.51 | 22.15 | 22.66 | 24.04 | 24.32 | 23.85 | 22.83 | 21.85 | 21.22 | 19.83 |
| Sauk County | | | | | | | | | | |
| T Baraboo | 17.10 | 17.34 | 17.30 | 17.27 | 17.68 | 18.14 | 17.77 | 17.05 | 17.10 | 16.68 |
| T Bear Creek | 20.43 | 20.50 | 21.47 | 21.74 | 22.25 | 22.84 | 22.61 | 21.85 | 21.52 | 20.76 |
| T Dellona | 15.78 | 15.54 | 16.12 | 15.43 | 16.41 | 17.08 | 16.07 | 15.59 | 15.17 | 14.04 |
| T Delton | 16.32 | 16.31 | 16.34 | 16.32 | 16.84 | 16.59 | 16.25 | 15.65 | 15.61 | 14.97 |
| T Excelsior | 16.30 | 17.05 | 17.04 | 17.45 | 18.36 | 19.28 | 18.70 | 18.06 | 17.38 | 16.55 |
| T Fairfield | 16.70 | 16.98 | 16.92 | 16.93 | 17.26 | 17.67 | 17.37 | 16.69 | 16.76 | 16.29 |
| T Franklin | 19.75 | 20.40 | 21.15 | 20.87 | 21.60 | 21.49 | 20.98 | 20.26 | 19.82 | 18.99 |
| T Freedom | 20.27 | 20.79 | 20.59 | 21.03 | 21.65 | 22.45 | 21.93 | 21.26 | 20.34 | 19.50 |
| T Greenfield | 17.12 | 17.43 | 17.37 | 17.34 | 17.58 | 17.98 | 17.68 | 17.01 | 17.12 | 16.64 |
| T Honey Creek | 19.07 | 19.36 | 19.57 | 20.30 | 21.16 | 21.42 | 21.01 | 20.43 | 20.12 | 18.95 |
| T Ironton | 20.11 | 20.61 | 20.74 | 21.57 | 21.90 | 22.84 | 22.51 | 21.45 | 21.71 | 20.27 |
| T La Valle | 17.46 | 17.70 | 17.94 | 18.42 | 19.31 | 20.36 | 19.37 | 18.95 | 18.07 | 17.29 |
| T Merrimac | 15.92 | 16.15 | 16.38 | 17.11 | 17.45 | 17.76 | 17.32 | 16.83 | 16.71 | 15.82 |
| T Prairie Du Sac | 16.17 | 16.41 | 16.66 | 17.51 | 17.91 | 18.22 | 17.85 | 17.36 | 17.21 | 16.27 |
| T Reedsburg | 15.53 | 16.37 | 16.45 | 17.04 | 17.97 | 19.04 | 18.34 | 17.72 | 17.01 | 16.26 |
| T Spring Green | 18.61 | 19.24 | 19.52 | 19.65 | 19.74 | 20.89 | 19.47 | 18.70 | 18.46 | 17.45 |
| T Sumpter | 17.89 | 18.12 | 18.70 | 19.15 | 19.84 | 19.97 | 18.88 | 18.28 | 17.52 | 16.56 |
| T Troy | 18.26 | 18.59 | 19.01 | 20.11 | 20.67 | 21.03 | 20.53 | 20.02 | 19.92 | 18.54 |

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 | | | | | | | | | |
|-------------------|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| T Washington | 23.07 | 22.63 | 22.45 | 24.02 | 23.15 | 23.98 | 24.26 | 22.45 | 23.02 | 21.88 |
| T Westfield | 18.45 | 19.22 | 19.21 | 19.79 | 21.14 | 22.31 | 21.69 | 21.04 | 20.09 | 19.22 |
| T Winfield | 15.74 | 16.64 | 16.62 | 17.23 | 18.11 | 19.25 | 18.53 | 17.95 | 17.16 | 16.42 |
| T Woodland | 17.85 | 19.54 | 19.77 | 20.48 | 21.86 | 22.92 | 20.79 | 20.85 | 19.97 | 18.47 |
| V Ironton | 20.36 | 21.37 | 21.21 | 21.98 | 22.94 | 23.54 | 22.86 | 22.25 | 22.13 | 20.75 |
| V Lake Delton | 16.56 | 16.02 | 16.17 | 16.07 | 17.10 | 17.59 | 17.11 | 16.67 | 16.27 | 14.89 |
| V La Valle | 23.05 | 22.60 | 22.78 | 23.15 | 23.44 | 24.63 | 23.95 | 23.36 | 22.34 | 20.95 |
| V Loganville | 23.63 | 26.15 | 25.47 | 25.30 | 26.10 | 26.58 | 25.41 | 24.75 | 23.74 | 22.50 |
| V Merrimac | 18.16 | 18.44 | 18.72 | 19.54 | 20.27 | 20.45 | 20.12 | 19.56 | 19.72 | 19.17 |
| V North Freedom | 20.77 | 21.16 | 21.06 | 20.80 | 21.12 | 20.37 | 19.98 | 18.97 | 19.00 | 18.23 |
| V Plain | 26.48 | 25.53 | 26.22 | 25.63 | 25.80 | 26.11 | 25.84 | 24.28 | 23.09 | 22.42 |
| V Prairie Du Sac | 21.49 | 21.93 | 22.24 | 23.46 | 23.21 | 23.45 | 22.92 | 22.38 | 22.01 | 20.63 |
| V Rock Springs | 21.38 | 22.53 | 22.86 | 23.66 | 24.50 | 23.48 | 22.91 | 22.12 | 21.31 | 20.05 |
| V Sauk City | 20.63 | 21.07 | 21.25 | 22.29 | 23.13 | 23.38 | 22.89 | 22.25 | 22.05 | 20.93 |
| V Spring Green | 21.60 | 22.34 | 23.38 | 23.43 | 24.59 | 25.21 | 24.06 | 23.38 | 23.00 | 21.59 |
| V West Baraboo | 24.81 | 25.14 | 24.87 | 24.64 | 24.90 | 24.92 | 24.41 | 23.45 | 23.04 | 22.90 |
| C Baraboo | 24.95 | 25.68 | 25.40 | 25.21 | 25.51 | 25.81 | 25.21 | 23.79 | 23.69 | 23.11 |
| C Reedsburg | 24.04 | 24.81 | 25.06 | 25.95 | 27.20 | 27.84 | 26.24 | 24.56 | 23.45 | 22.00 |
| C Wisconsin Dells | 23.72 | 22.74 | 23.23 | 22.97 | 24.37 | 24.72 | 23.81 | 23.50 | 23.21 | 20.92 |

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 Gross Tax Rate. 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 |
| 2010 | 94,919,048 | 65,084,712 | 68.57 | 29,834,336 | 94,919,048 | 100.00 |
| 2011 | 103,225,150 | 71,405,188 | 69.17 | 31,819,962 | 103,225,150 | 100.00 |
| 2012 | 118,392,167 | 82,610,894 | 69.78 | 35,781,273 | 118,392,167 | 100.00 |
| 2013 | 123,076,899 | 86,673,845 | 70.42 | 36,403,054 | 123,076,899 | 100.00 |
| 2014 | 124,121,753 | 88,198,137 | 71.06 | 35,923,616 | 124,121,753 | 100.00 |
| 2015 | 64,954,697 | 48,877,745 | 75.25 | 16,076,952 | 64,954,697 | 100.00 |
| 2016 | 66,685,505 | 50,064,943 | 75.08 | 16,620,562 | 66,685,505 | 100.00 |
| 2017 | 72,728,318 | 54,736,684 | 75.26 | 17,991,634 | 72,728,318 | 100.00 |
| 2018 | 74,965,346 | 57,158,226 | 76.25 | 17,807,120 | 74,965,346 | 100.00 |
| 2019 | 77,216,449 | 58,199,665 | 75.37 | 19,016,784 | 77,216,449 | 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 | 2018 | | | 2009 | | |
|-------------------------------|--------------------------------|-------------------------|------|---|-------------------------|------|---|
| | | Equalized Valuation | Rank | Percent of MATC Total Equalized Valuation | Equalized Valuation | Rank | Percent of MATC Total Equalized Valuation |
| Epic Systems Corporation | Medical Software | \$ 1,225,500,062 | 1 | 1.44 % | \$ 299,925,350 | 1 | 0.41 % |
| Madison Joint Venture Ste 500 | Shopping Centers | 157,188,700 | 2 | 0.19 | 207,368,896 | 2 | 0.29 |
| American Family Insurance | Insurance | 150,997,400 | 3 | 0.18 | 159,536,418 | 3 | 0.22 |
| Ax Madison Greenway LLC | Property Management | 134,782,965 | 4 | 0.16 | 128,917,446 | 5 | 0.18 |
| Promega Corporation | Biotechnology | 115,833,096 | 5 | 0.14 | | | |
| Core Campus Madison LLC | Property Development | 89,500,000 | 6 | 0.11 | | | |
| Core Campus Madison II LLC | Property Development | 76,700,000 | 7 | 0.09 | | | |
| University Research Park Inc. | Research & Technology Park | 76,365,600 | 8 | 0.09 | 149,894,851 | 4 | 0.21 |
| Covance Laboratories, Inc. | Research | 74,955,000 | 9 | 0.09 | 88,737,177 | 6 | 0.12 |
| 777 University Ave LLC | Insurance | 66,935,700 | 10 | 0.08 | | | |
| SBA Usquare LLC | Property Development | | | | 55,395,979 | 7 | 0.08 |
| Hilldale Land Co LLC | Property Development | | | | 49,493,127 | 8 | 0.07 |
| Sub-Zero Wolf | Cooking Appliances | | | | 49,467,793 | 9 | 0.07 |
| Firststar Bank & Leasing | Banking & Leasing | | | | 47,200,000 | 10 | 0.07 |
| | Totals | <u>\$ 2,168,758,523</u> | | <u>2.60 %</u> | <u>\$ 1,235,937,037</u> | | <u>1.70 %</u> |
| | MATC Total Equalized Valuation | <u>\$84,890,885,193</u> | | | <u>\$72,289,899,543</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 | | |
| 2010 | 8,952 | 12,200 | 5,971 | 12,353 | 6,372 | 1,989 | 40,382 | |
| 2011 | 9,461 | 12,358 | 5,610 | 9,920 | 6,867 | 2,930 | 39,716 | |
| 2012 | 13,215 | 17,320 | 4,696 | 9,839 | 6,365 | 3,940 | 41,509 | |
| 2013 | 11,032 | 14,872 | 3,641 | 6,384 | 4,308 | 3,968 | 33,199 | |
| 2014 | 10,870 | 14,474 | 3,309 | 9,383 | 6,647 | 4,853 | 36,714 | |
| 2015 | 10,362 | 13,862 | 3,326 | 8,460 | 6,481 | 4,796 | 34,405 | |
| 2016 | 10,304 | 16,040 | 3,407 | 9,323 | 6,061 | 4,652 | 37,351 | |
| 2017 | 9,633 | 15,327 | 3,072 | 7,837 | 5,886 | 3,426 | 33,466 | |
| 2018 | 9,183 | 15,177 | 2,841 | 8,533 | 6,128 | 3,474 | 34,145 | |
| 2019 | 8,672 | 15,138 | 2,721 | 7,490 | 5,860 | 4,094 | 33,360 | |

| Full-time Equivalent (b) | | | | | | | | |
|--------------------------|------------------|------------------|-------------------|------------------|--------------------|---------------|-------------------|--------|
| Year | Aidable | | | | | Non-Aidable | | Total |
| | College Transfer | Associate Degree | Technical Diploma | Vocational Adult | Non-Post Secondary | Total Aidable | Community Service | |
| 2010 | 3,683 | 5,199 | 1,071 | 270 | 541 | 10,764 | 48 | 10,812 |
| 2011 | 3,844 | 5,329 | 1,042 | 216 | 551 | 10,982 | 68 | 11,050 |
| 2012 | 3,806 | 5,083 | 939 | 226 | 535 | 10,589 | 83 | 10,672 |
| 2013 | 3,794 | 4,872 | 930 | 205 | 555 | 10,356 | 89 | 10,445 |
| 2014 | 3,690 | 4,660 | 893 | 197 | 554 | 9,994 | 88 | 10,081 |
| 2015 | 3,616 | 4,614 | 869 | 206 | 561 | 9,866 | 86 | 9,952 |
| 2016 | 3,586 | 4,804 | 837 | 217 | 508 | 9,951 | 81 | 10,033 |
| 2017 | 3,335 | 4,588 | 712 | 167 | 461 | 9,262 | 69 | 9,331 |
| 2018 | 3,236 | 4,487 | 698 | 191 | 500 | 9,112 | 70 | 9,182 |
| 2019 | 3,106 | 4,488 | 639 | 161 | 467 | 8,862 | 74 | 8,936 |

Notes:

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

MADISON AREA TECHNICAL COLLEGE DISTRICT

SCHEDULE OF PER CREDIT PROGRAM FEES CHARGED
Last Ten Fiscal Years

| Year | College Transfer | | Post Secondary Vocational Adult | | Non-Aidable | |
|---------|------------------|--------|------------------------------------|--------|---------------|--------------|
| | Resident | (1) | Resident | (1) | Under Age 60* | 60 and Over* |
| 2009-10 | 136.10 | 204.15 | 101.40 | 152.10 | 130.96 | 104.76 |
| 2010-11 | 142.20 | 213.30 | 106.00 | 159.00 | 130.96 | 104.76 |
| 2011-12 | 150.00 | 225.00 | 111.85 | 167.80 | 137.51 | 110.00 |
| 2012-13 | 158.25 | 237.38 | 116.90 | 175.35 | 162.52 | 130.00 |
| 2013-14 | 165.40 | 248.10 | 122.20 | 183.30 | 187.82 | 150.26 |
| 2014-15 | 170.35 | 255.55 | 125.85 | 188.80 | 210.00 | 168.00 |
| 2015-16 | 173.75 | 260.63 | 128.40 | 192.60 | 260.00 | 208.00 |
| 2016-17 | 176.35 | 264.53 | 130.35 | 195.53 | 260.00 | 208.00 |
| 2017-18 | 178.80 | 268.20 | 132.20 | 198.30 | 260.00 | 208.00 |
| 2018-19 | 181.50 | 272.25 | 134.20 | 201.30 | 260.00 | 208.00 |

Additional Per Credit Fees

Material Fees

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

Supplemental Fee

A supplemental fee is charged to all students enrolling in post-high school courses at Madison campus locations. This fee is charged per s.38.14(9), Wisconsin Statutes and provides access to the MATC Fitness Center and supports co-curricular activities and programming, including student newspapers, athletics, performing arts, Student Senate, leadership programs, clubs and associations, the Programs and Activities Council, and the Student Life Office. For Madison Campuses, the fee was set at \$11.16 per credit for all Postsecondary & Vocational Adult credit courses and \$14.24 per credit for all College Parallel credit courses. For Regional Campuses, the fee is \$3.25 per credit for Fall and Spring semesters.

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

Academic Achievement Fee

The Academic Achievement Fee is \$1.34 per credit for all Postsecondary and Vocational Adult credit courses and \$1.82 per credit for all College Parallel credit courses. These 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 |
| 2010 | 728,400 | 75,068,218,893 | 37,550,000 | - | 82,587 | 37,632,587 | 0.05 | 52 |
| 2011 | 732,341 | 72,854,834,126 | 104,245,000 | 2,098,026 | 76,146 | 106,419,172 | 0.15 | 145 |
| 2012 | 741,012 | 71,917,515,430 | 161,525,000 | 6,245,715 | 70,067 | 167,840,782 | 0.23 | 227 |
| 2013 | 740,541 | 70,547,400,399 | 173,800,000 | 7,415,935 | 64,329 | 181,280,264 | 0.26 | 245 |
| 2014 | 744,676 | 70,405,217,759 | 167,705,000 | 7,584,224 | 58,912 | 175,348,136 | 0.25 | 235 |
| 2015 | 749,725 | 72,677,959,625 | 174,145,000 | 8,122,006 | 53,799 | 182,320,805 | 0.25 | 243 |
| 2016 | 756,312 | 75,522,264,359 | 174,310,000 | 8,386,753 | 48,973 | 182,745,726 | 0.24 | 242 |
| 2017 | 775,673 | 78,612,374,268 | 171,125,000 | 8,368,585 | 44,417 | 179,538,002 | 0.23 | 231 |
| 2018 | 783,061 | 83,702,047,239 | 166,755,000 | 13,081,161 | 40,117 | 179,876,278 | 0.21 | 230 |
| 2019 | 790,521 | 88,862,705,893 | 165,650,000 | 12,356,173 | 36,058 | 178,042,231 | 0.20 | 225 |

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, 2019

| Name of Entity ⁽¹⁾ | Net Debt Outstanding | Percent Applicable to District ⁽²⁾ | Outstanding Debt Applicable to District |
|--|-------------------------|---|---|
| Adams County | \$ 6,325,000 | 16.31% | \$ 1,031,323 |
| Columbia County | 54,235,000 | 99.90% | 54,180,238 |
| Dane County | 374,640,000 | 99.98% | 374,579,698 |
| Dodge County | 28,240,000 | 18.55% | 5,239,592 |
| Green County | 26,192,882 | 24.97% | 6,540,943 |
| Iowa County | 1,210,001 | 15.01% | 181,640 |
| Jefferson County | 14,270,000 | 87.81% | 12,530,659 |
| Juneau County | 23,617,644 | 9.49% | 2,242,416 |
| Marquette County | 11,413,333 | 97.99% | 11,183,816 |
| Richland County | 25,452,771 | 7.10% | 1,806,520 |
| Rock County | 42,130,000 | 0.20% | 82,748 |
| Sauk County | 14,075,000 | 98.57% | 13,873,504 |
| Total Cities | 977,298,292 | Varies | 956,161,025 |
| Total Villages | 277,478,383 | Varies | 277,478,383 |
| Total Towns | 10,904,840 | Varies | 9,180,156 |
| Total School Districts | 1,305,213,225 | Varies | 1,167,443,711 |
| Madison Metropolitan Sewerage District | 122,074,137 | 100.00% | 122,074,137 |
| Subtotal, overlapping debt | | | 3,015,810,509 |
| District Direct Debt | | | |
| General Obligation Notes | | | 82,135,000 |
| General Obligation Bonds | | | 83,515,000 |
| Premiums on Notes and Bonds | | | 12,356,173 |
| Capital Lease | | | 36,058 |
| Subtotal, District direct debt | | | 178,042,231 |
| Total direct and overlapping debt | | | <u>\$ 3,193,852,740</u> |

Statistical Summary

| | |
|---|--------------------------|
| 2018 Equalized Valuation - TID In | <u>\$ 88,862,705,893</u> |
| Direct District Indebtedness | 178,042,231 |
| Overlapping and Underlying Bonded Indebtedness | <u>3,015,810,509</u> |
| Total Direct, Overlapping and Underlying Indebtedness | <u>\$ 3,193,852,740</u> |
| Direct, Overlapping and Underlying Indebtedness as a Percentage of Equalized Valuation | 3.59% |
| Population of District | 790,521 |
| Direct, Overlapping and Underlying Indebtedness - Per Capita | <u>\$ 4,040.19</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 2019 | <u>5% Debt Limit</u> | <u>2% Debt Limit</u> |
|---|--------------------------------|--------------------------------|
| 2018 Equalized Valuation - TID In | \$88,862,705,893 | \$88,862,705,893 |
| | x 5% | x 2% |
| Total debt limit - 5% of equalized valuation | <u>4,443,135,295</u> | <u>1,777,254,118</u> |
| Debt applicable to limit: | | |
| General obligation notes | 82,135,000 | 82,135,000 |
| General obligation bonds | 83,515,000 | 83,515,000 |
| Less: debt service funds available (GAAP Basis) | <u>(3,450,698)</u> | <u>(3,450,698)</u> |
| Total amount of debt applicable to debt limit | <u>162,199,302</u> | <u>162,199,302</u> |
| Legal total debt margin | <u><u>\$ 4,280,935,992</u></u> | <u><u>\$ 1,615,054,816</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> |
|--------------------|-------------------|---|--------------------------|---|
| 2010 | 3,753,410,945 | 37,632,587 | 3,715,778,358 | 1.00 |
| 2011 | 3,642,741,706 | 102,424,455 | 3,540,317,251 | 2.81 |
| 2012 | 3,595,875,772 | 157,129,718 | 3,438,746,054 | 4.37 |
| 2013 | 3,527,370,020 | 170,521,512 | 3,356,848,508 | 4.83 |
| 2014 | 3,520,260,888 | 166,663,163 | 3,353,597,725 | 4.73 |
| 2015 | 3,633,897,981 | 172,390,261 | 3,461,507,720 | 4.74 |
| 2016 | 3,776,113,218 | 172,190,549 | 3,603,922,669 | 4.56 |
| 2017 | 3,930,618,713 | 168,841,623 | 3,761,777,090 | 4.30 |
| 2018 | 4,185,102,362 | 163,697,791 | 4,021,404,571 | 3.91 |
| 2019 | 4,443,135,295 | 162,199,302 | 4,280,935,992 | 3.65 |

* 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 |
| 2010 | 728,400 | 474,839 | 81,362 | 61,481 | 27,216,385 | 45,106 | 34,824 | 36,040 | 5.9 | 8.8 | 7.3 |
| 2011 | 732,341 | 489,331 | 83,794 | 61,942 | 28,499,057 | 46,916 | 35,016 | 36,782 | 6.0 | 8.7 | 7.4 |
| 2012 | 741,012 | 491,555 | 83,857 | 61,994 | 30,459,536 | 49,479 | 36,740 | 38,998 | 5.6 | 8.0 | 6.9 |
| 2013 | 740,541 | 497,021 | 83,940 | 62,041 | 31,947,648 | 51,341 | 37,950 | 40,524 | 4.9 | 7.0 | 5.8 |
| 2014 | 744,676 | 502,251 | 83,974 | 62,092 | 32,515,843 | 51,523 | 39,495 | 40,745 | 4.1 | 6.1 | 4.9 |
| 2015 | 749,725 | 508,384 | 84,255 | 62,207 | 34,354,201 | 53,705 | 40,761 | 43,763 | 3.3 | 4.2 | 3.7 |
| 2016 | 756,312 | 518,537 | 84,262 | 62,187 | 35,688,394 | 55,232 | 41,698 | 44,037 | 2.8 | 3.9 | 3.1 |
| 2017 | 775,673 | 524,775 | 84,412 | 62,240 | 37,800,986 | 58,100 | 43,637 | 45,847 | 2.6 | 3.2 | 2.9 |
| 2018 | 783,061 | 530,519 | 84,352 | 62,822 | (7) | (7) | (7) | (7) | 2.4 | 3.0 | 2.3 |
| 2019 | 790,521 | 537,156 | 84,579 | 63,281 | (7) | (7) | (7) | (7) | 2.9 | 3.4 | 3.0 |

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 89% 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. 2019 Unemployment rates are as of June 2019.
- (7) Information not yet available.

MADISON AREA TECHNICAL COLLEGE DISTRICT

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

| | Full Time Employees as of June 30 | | | | | | | | | |
|-------------------------------|-----------------------------------|--------------|--------------|------------|------------|------------|------------|------------|------------|------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| District Total: | | | | | | | | | | |
| Administrative | 104 | 95 | 103 | 86 | 81 | 98 | 101 | 102 | 105 | 93 |
| Faculty Instructors | 451 | 454 | 470 | 473 | 474 | 440 | 450 | 446 | 448 | 451 |
| Professional Non-faculty | 38 | 26 | 22 | 18 | 16 | 3 | 4 | 11 | 11 | 7 |
| Clerical/Secretarial | 120 | 130 | 130 | 130 | 131 | 116 | 117 | 127 | 135 | 141 |
| Technicians/Para-professional | 242 | 235 | 222 | 216 | 194 | 218 | 209 | 205 | 184 | 180 |
| Service/Maintenance | 68 | 68 | 66 | 59 | 57 | 54 | 60 | 67 | 73 | 61 |
| | <u>1,023</u> | <u>1,008</u> | <u>1,013</u> | <u>982</u> | <u>953</u> | <u>929</u> | <u>941</u> | <u>958</u> | <u>956</u> | <u>933</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 | Percent Increase/ (Decrease) | Per FTE Students | Rank (1) |
| 2010 | 144,004 | 11.7 | 10,812 | 12.6 | 13,277 | (1.1) | 12,652 | 12 |
| 2011 | 151,943 | 5.5 | 11,050 | 2.2 | 13,750 | 3.6 | 13,010 | 12 |
| 2012 | 146,733 | (3.4) | 10,672 | (3.4) | 13,749 | (0.0) | 13,320 | 10 |
| 2013 | 156,006 | 6.3 | 10,445 | (2.1) | 14,936 | 8.6 | 14,005 | 12 |
| 2014 | 155,763 | (0.2) | 10,081 | (3.5) | 15,451 | 3.5 | 14,926 | 9 |
| 2015 | 158,985 | 2.1 | 9,952 | (1.3) | 15,975 | 3.4 | 15,618 | 9 |
| 2016 | 159,699 | 0.4 | 10,033 | 0.8 | 15,918 | (0.4) | 15,635 | 9 |
| 2017 | 157,671 | (1.3) | 9,331 | (7.0) | 16,898 | 6.2 | 16,181 | 13 |
| 2018 | 161,141 | 2.2 | 9,182 | (1.6) | 17,550 | 3.9 | 16,568 | 13 |
| 2019 | 164,929 | 2.4 | 8,936 | (2.7) | 18,456 | 5.2 | (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> |
|-------------|----------------------------|--|-------------------------|--|-------------------------------------|-------------------------------|---|
| 2009 | 3,215 | 1,614 | 89 | 70 | 81 | 2,611 | 97 |
| 2010 | 3,802 | 2,044 | 87 | 65 | 81 | 2,576 | 97 |
| 2011 | 3,911 | 1,969 | 88 | 64 | 74 | 2,462 | 97 |
| 2012 | 3,962 | 1,850 | 88 | 68 | 80 | 2,746 | 97 |
| 2013 | 3,640 | 1,779 | 89 | 64 | 74 | 2,827 | 97 |
| 2014 | 3,177 | 1,511 | 92 | 71 | 76 | 2,944 | 98 |
| 2015 | 3,231 | 1,665 | 92 | 74 | 71 | 3,229 | 98 |
| 2016 | 3,154 | 1,885 | 92 | 73 | 65 | 3,244 | 96 |
| 2017 | 3,190 | 1,771 | 93 | 74 | 76 | 3,332 | 97 |
| 2018 | 3,703 | 1,637 | 95 | 75 | 77 | 3,392 | 97 |

Notes:

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

MADISON AREA TECHNICAL COLLEGE DISTRICT

SQUARE FOOTAGE OF DISTRICT FACILITIES
Last Ten Fiscal Years

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| MC-Madison | | | | | | | | | | |
| District Administration (1) | - | - | - | 14,265 | 14,265 | 14,265 | 18,506 | 18,506 | 18,506 | 18,506 |
| Truax Campus | - | - | - | - | - | - | - | 852,320 | 852,320 | 852,320 |
| Main Building | 1,023,434 | 1,023,434 | 1,023,434 | 1,009,169 | 1,009,169 | 1,009,169 | 1,009,169 | - | - | - |
| Health Education Building | 176,933 | 176,933 | 176,933 | 176,933 | 176,933 | 176,933 | 176,933 | - | - | - |
| Protective Services Building | 81,410 | 81,410 | 81,410 | 81,410 | 81,410 | 81,410 | 81,410 | - | - | - |
| Animal Holding | 5,577 | 5,577 | 5,577 | 5,577 | 5,577 | 5,577 | 5,577 | - | - | - |
| Downtown Education Center | - | 204,158 | 204,158 | 204,158 | 204,158 | 204,158 | 204,158 | 204,158 | 204,158 | 204,158 |
| Commercial Avenue Education Center | | | | | | | | | | |
| Building A | 72,838 | 72,838 | 72,838 | 72,838 | 72,838 | 72,838 | 72,838 | 72,838 | 72,838 | 72,838 |
| Building B | 37,240 | 37,240 | 37,240 | 37,240 | 37,240 | 37,240 | 37,240 | 37,240 | 37,240 | 37,240 |
| Fire Training Facilities | - | - | - | - | - | 14,265 | 14,265 | 14,056 | 14,056 | 14,056 |
| Goodman Recreation Facilities | | | | | | | | | | |
| Softball | 4,065 | 4,065 | - | - | - | - | - | - | - | - |
| Soccer | 909 | 909 | - | - | - | - | - | - | - | - |
| MC-North Property | | | | | | | | | | |
| North Court | 118,000 | 118,000 | 118,000 | 118,000 | 118,000 | 118,000 | 119,559 | 119,559 | 119,559 | - |
| Penske Building | 19,163 | 19,163 | 19,163 | 19,163 | 19,163 | 19,163 | 19,163 | 19,160 | 19,160 | - |
| Sub-Total | 1,539,569 | 1,743,727 | 1,738,753 | 1,738,753 | 1,738,753 | 1,753,018 | 1,758,818 | 1,337,837 | 1,337,837 | 1,199,118 |
| MC-Fort Atkinson Campus | 36,840 | 36,840 | 36,840 | 36,840 | 36,840 | 36,840 | 36,840 | 28,840 | 28,840 | 28,840 |
| MC-Portage Campus | 17,982 | 17,982 | 17,982 | 17,982 | 17,982 | 17,982 | 17,982 | 15,655 | 15,655 | 15,655 |
| MC-Reedsburg Campus | 29,559 | 29,559 | 29,559 | 29,559 | 29,559 | 29,559 | 29,559 | 19,782 | 19,782 | 19,782 |
| MC-Watertown Campus | 37,441 | 37,441 | 37,441 | 37,441 | 37,441 | 37,441 | 37,441 | 24,441 | 24,441 | 24,441 |
| MC-Emergency Vehicle Operator Course (EVOC) | 12,357 | 12,357 | - | - | - | - | - | - | - | - |
| Sub-Total | 134,179 | 134,179 | 121,822 | 121,822 | 121,822 | 121,822 | 121,822 | 88,718 | 88,718 | 88,718 |
| Other (Leased) | | | | | | | | | | |
| Community Development Authority | - | - | - | - | - | - | - | - | - | 4,850 |
| Foundation Centre, 3591 Anderson Street | 34,135 | 34,135 | 34,135 | 34,135 | 34,135 | 34,135 | 34,135 | - | - | - |
| McAllen Center, 1802 Wright St | - | - | - | - | - | 12,000 | 12,000 | 12,000 | 12,000 | 11,000 |
| McAllen Center, 3513 Anderson, Suite 112 | - | - | - | - | - | 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 |
| PacJet Financial Ltd. | - | - | - | - | - | - | - | 482 | - | 600 |
| Portage Enterprise Center Suite A | 3,750 | 3,750 | 3,750 | 3,750 | 3,750 | 2,500 | 2,500 | 2,500 | 2,500 | - |
| Portage Enterprise Center Suite A Addition | 3,900 | 3,900 | 3,900 | 3,900 | 3,900 | - | - | - | - | - |
| Renewal Unlimited | 1,380 | 1,380 | 1,380 | 1,380 | 1,380 | 1,380 | 1,380 | 1,380 | 1,380 | 1,380 |
| Sauk County W. Square Ctr | - | - | - | - | 378 | 378 | 378 | - | - | - |
| South Madison Center (Village on Park) | 12,287 | 12,287 | 12,287 | 12,287 | 12,287 | 12,287 | 12,287 | 11,552 | 8,614 | 8,614 |
| MC West-Old (Gammon Address) | - | - | - | - | 101,379 | 101,379 | 101,379 | 101,379 | 101,379 | 101,379 |
| MC West-New (Excelsior Address) | 17,504 | 12,843 | 12,843 | 12,843 | - | - | - | - | - | - |
| Village of Plain, 510 Green Blvd | - | - | - | - | 1,490 | 1,490 | 1,490 | - | - | - |
| Sub-Total | 72,956 | 68,295 | 68,295 | 68,295 | 158,699 | 169,514 | 169,514 | 133,258 | 129,838 | 131,788 |
| Total Square Footage | 1,746,704 | 1,946,201 | 1,928,870 | 1,928,870 | 2,019,274 | 2,044,354 | 2,050,154 | 1,559,813 | 1,556,393 | 1,419,624 |

Source: Madison College Office of Facility Services Director.

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

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

**MADISON AREA TECHNICAL COLLEGE DISTRICT
LEGAL DESCRIPTION**

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

Madison Area Technical College - Madison

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

Goodman South Campus, 2429 Perry Street
Madison, Wisconsin 53713

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.

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MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

| 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 | 07/01/18 - 06/30/19 | \$ 3,389 | \$ 3,389 | \$ - | \$ 3,389 | \$ - |
| Total Department of Agriculture | | | | \$ 3,389 | \$ 3,389 | \$ - | \$ 3,389 | \$ - |
| Bureau of Indian Affairs | | | | | | | | |
| Indian Education-Higher Education Grant Program | 15.114 | N/A | 07/01/18 - 06/30/19 | \$ 101,656 | \$ 101,656 | \$ - | \$ 101,656 | \$ - |
| Total Bureau of Indian Affairs | | | | \$ 101,656 | \$ 101,656 | \$ - | \$ 101,656 | \$ - |
| Department of Labor | | | | | | | | |
| Workforce Investment Act Cluster | | | | | | | | |
| Workforce Investment Act Title 1 - Adult | 17.258 | | | | | | | |
| Workforce Development Board of South Central Wisconsin | | | | | | | | |
| Training Navigator - Adult | | 18-593-2019-TN | 07/01/18 - 06/30/19 | \$ 184,425 | \$ 176,220 | \$ - | \$ 176,220 | \$ - |
| Career Pathways - Adult | | 18-6200-2019-CP | 07/01/18 - 06/30/19 | 120,000 | 66,140 | - | 66,140 | - |
| ILH- Short Term Customized Training | | IHL10 | 07/01/18 - 06/30/19 | 19,196 | 15,953 | - | 15,953 | - |
| | | | | <u>323,621</u> | <u>258,313</u> | <u>-</u> | <u>258,313</u> | <u>-</u> |
| Workforce Investment Act Title 1 - Youth | 17.259 | | | | | | | |
| Workforce Development Board of South Central Wisconsin | | | | | | | | |
| Training Navigator-Out of School Youth | | 18-593-2019-TN | 07/01/18 - 06/30/19 | 237,143 | 227,419 | - | 227,419 | - |
| Middle College - In School Youth | | 18-590-11-2019 | 07/01/18 - 06/30/19 | 144,651 | 121,582 | - | 121,582 | - |
| Middle College - Out of School Youth | | 18-590-11-2019 | 07/01/18 - 06/30/19 | 16,850 | 14,264 | - | 14,264 | - |
| Gateway to College - Out of School Youth | | 18-300-2019-OSY | 07/01/18 - 06/30/19 | 17,500 | 17,500 | 102,323 | 119,823 | - |
| ILH- Short Term Customized Training | | IHL10 | 07/01/18 - 06/30/19 | 19,196 | 15,953 | - | 15,953 | - |
| | | | | <u>435,340</u> | <u>396,718</u> | <u>102,323</u> | <u>499,041</u> | <u>-</u> |
| Workforce Investment Act Title 1 - Dislocated Worker | 17.278 | | | | | | | |
| Workforce Development Board of South Central Wisconsin | | | | | | | | |
| Training Navigator - DLW | | 18-593-2019-TN | 07/01/18 - 06/30/19 | 136,635 | 130,975 | - | 130,975 | - |
| Training Navigator - Rapid Response-Add'l Assistance | | 18-593-2019-TN | 07/01/18 - 06/30/19 | 62,984 | 60,725 | - | 60,725 | - |
| Career Pathways - DLW | | 18-6200-2019-CP | 07/01/18 - 06/30/19 | 130,000 | 71,652 | - | 71,652 | - |
| ILH- Short Term Customized Training | | IHL10 | 07/01/18 - 06/30/19 | 19,195 | 15,953 | - | 15,953 | - |
| | | | | <u>348,814</u> | <u>279,304</u> | <u>-</u> | <u>279,304</u> | <u>-</u> |
| Total Workforce Investment Act Cluster | | | | \$ 1,107,775 | \$ 934,335 | \$ 102,323 | \$ 1,036,658 | \$ - |

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

| Assistance Program | Federal Catalog Number | Grant Number | Grant Dates | Federal Grant Amount | Revenues | | | Total Expenditures | Passed Through to Sub-Recipients |
|--|------------------------|--|--|---------------------------------------|---------------------------------------|---------------------------------|---------------------------------------|--------------------|----------------------------------|
| | | | | | Federal | Match | | | |
| <u>Department of Labor (Continued)</u> | | | | | | | | | |
| Employment and Training Administration American Apprenticeship Initiative Grant DWD Direct Training Aid | 17.268 | 04-345-155-119 | 07/01/18 - 06/30/19 | \$ 30,000 | \$ 30,000 | \$ - | \$ 30,000 | \$ - | |
| | | | | 30,000 | 30,000 | - | 30,000 | | |
| Trade Adjustment Assistance Community College and Career (TAACCT) ACT For Healthcare | 17.282 | TC-26455-14-60-A-55 | 10/01/14 - 09/30/18 | 1,409,367 | 17,046 | - | 17,046 | - | |
| | | | | 1,409,367 | 17,046 | - | 17,046 | - | |
| Total Employment and Training Cluster | | | | \$ 1,439,367 | \$ 47,046 | \$ - | \$ 47,046 | \$ - | |
| Total Department of Labor | | | | \$ 2,547,142 | \$ 981,381 | \$ 102,323 | \$ 1,083,704 | \$ - | |
| <u>Department of Transportation</u> | | | | | | | | | |
| Pipeline and Hazardous Materials Safety Administration Hazardous Materials Public Sector Training & Planning Grants | 20.703 | N/A | 07/01/18 - 06/30/19 | \$ 13,080 | \$ 13,080 | \$ - | \$ 13,080 | \$ - | |
| Total Department of Transportation | | | | \$ 13,080 | \$ 13,080 | \$ - | \$ 13,080 | \$ - | |
| <u>Department of Veteran Affairs</u> | | | | | | | | | |
| Post - 9/11 Veterans Educational Assistance | 64.028 | N/A | 07/01/18 - 06/30/19 | \$ 998,355 | \$ 998,355 | \$ - | \$ 998,355 | \$ - | |
| Total Department of Veteran Affairs | | | | \$ 998,355 | \$ 998,355 | \$ - | \$ 998,355 | \$ - | |
| <u>Department of Education</u> | | | | | | | | | |
| Adult Education-Basic Grants to States Wisconsin Technical College System ABE Comprehensive Project for Institutionalized Adults Civic Literacy for the Limited English Proficient Learner | 84.002 | 04-220-146-129 04-221-146-119 04-222-146-169 | 07/01/18 - 06/30/19 07/01/18 - 06/30/19 07/01/18 - 06/30/19 | \$ 833,472 113,333 113,333 | \$ 507,772 85,000 83,831 | \$ 515,066 102,440 27,944 | \$ 1,022,838 187,440 111,775 | \$ - - - | |
| | | | | 1,060,138 | 676,603 | 645,450 | 1,322,053 | - | |
| Student Financial Assistance Cluster Federal Supplemental Educational Opportunity Grants Grants Administrative Fee | 84.007 | N/A | 07/01/18 - 06/30/19 07/01/18 - 06/30/19 | 303,102 - | 303,102 - | 101,034 - | 404,136 - | - - | |
| | | | | 303,102 | 303,102 | 101,034 | 404,136 | - | |
| Federal Direct Student Loans Federal Direct Loans Loans - Prior Year Federal Direct PLUS Loans Plus Loans - Prior Year | 84.268 | N/A N/A N/A N/A | 07/01/18 - 06/30/19 07/01/17 - 06/30/18 07/01/18 - 06/30/19 07/01/17 - 06/30/18 | 19,777,449 273,121 111,005 - | 19,777,449 273,121 111,005 - | - - - - | 19,777,449 273,121 111,005 - | - - - - | |
| | | | | 20,161,575 | 20,161,575 | - | 20,161,575 | - | |

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

| 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) | | | | | | | | |
| Federal Work-Study Program | 84.033 | | | | | | | |
| Federal Work Study | | N/A | 07/01/18 - 06/30/19 | \$ 290,046 | \$ 290,046 | \$ 2,478 | \$ 292,524 | \$ - |
| FWS - Prior Year | | N/A | 07/01/17 - 06/30/18 | - | - | - | - | - |
| Administrative Fee | | | 07/01/18- 06/30/19 | - | - | - | - | - |
| | | | | <u>290,046</u> | <u>290,046</u> | <u>2,478</u> | <u>292,524</u> | <u>-</u> |
| Federal Pell Grant Program | 84.063 | | | | | | | |
| Grants | | N/A | 07/01/18 - 06/30/19 | 12,637,025 | 12,637,025 | - | 12,637,025 | - |
| Grants - Prior Year | | N/A | 07/01/17 - 06/30/18 | 81,074 | 81,074 | - | 81,074 | - |
| Administrative Fee | | N/A | 07/01/18 - 06/30/19 | 18,910 | 18,910 | - | 18,910 | - |
| Administrative Fee - Prior Year | | N/A | 07/01/17 - 06/30/18 | 1,180 | 1,180 | - | 1,180 | - |
| | | | | <u>12,738,188</u> | <u>12,738,188</u> | <u>-</u> | <u>12,738,188</u> | <u>-</u> |
| Total Student Financial Assistance Cluster | | | | <u>\$ 33,492,911</u> | <u>\$ 33,492,911</u> | <u>\$ 103,512</u> | <u>\$ 33,596,423</u> | <u>\$ -</u> |
| Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) | 84.334S | P334AS110033 | 07/01/18 - 06/30/19 | \$ 31,358 | \$ 31,358 | \$ - | \$ 31,358 | \$ - |
| | | | | <u>31,358</u> | <u>31,358</u> | <u>-</u> | <u>31,358</u> | <u>-</u> |
| DVR Training Grant Student Awards | 84.126 | N/A | 07/01/18 - 06/30/19 | 153,967 | 153,967 | - | 153,967 | - |
| | | | | <u>153,967</u> | <u>153,967</u> | <u>-</u> | <u>153,967</u> | <u>-</u> |
| TRIO - Student Support Services | | | | | | | | |
| Madison Area Technical College Student Support Services | 84.042A | P042A151694 | 09/01/15 - 08/31/20 | 1,100,000 | 240,843 | 106,066 | 346,909 | - |
| | | | | <u>1,100,000</u> | <u>240,843</u> | <u>106,066</u> | <u>346,909</u> | <u>-</u> |
| Career and Technical Education - Basic Grants to States Wisconsin Technical College System | 84.048 | | | | | | | |
| Achieving Student Success | | 04-120-150-239 | 07/01/18 - 06/30/19 | 884,202 | 363,635 | 508,889 | 872,524 | - |
| Strengthening Career & Tech Ed Programs | | 04-121-150-259 | 07/01/18 - 06/30/19 | 109,463 | 93,879 | - | 93,879 | - |
| Tools for Tomorrow: Women in Trades | | 04-122-150-269 | 07/01/18 - 06/30/19 | 48,468 | 47,375 | - | 47,375 | - |
| Career Prep | | 04-123-150-219 | 07/01/18 - 06/30/19 | 58,971 | 58,971 | - | 58,971 | - |
| Promoting and Supporting High School to College Transitions | | 04-124-150-249 | 07/01/18 - 06/30/19 | 46,194 | 27,721 | - | 27,721 | - |
| | | | | <u>1,147,298</u> | <u>591,581</u> | <u>508,889</u> | <u>1,100,470</u> | <u>-</u> |
| Undergraduate International Studies and Foreign Language Programs (UISFL) | | | | | | | | |
| Madison College Comprehensive Internationalization Initiative | 84.016A | P016A160033 | 10/01/16 - 09/30/19 | 184,268 | 39,315 | 46,803 | 86,118 | - |
| | | | | <u>184,268</u> | <u>39,315</u> | <u>46,803</u> | <u>86,118</u> | <u>-</u> |
| Strengthening Institutions Program (SIP) | | | | | | | | |
| Pathways to Success: Title III | 84.031F | P031F170084 | 10/01/17 - 09/30/22 | 3,150,000 | 700,709 | - | 700,709 | - |
| | | | | <u>3,150,000</u> | <u>700,709</u> | <u>-</u> | <u>700,709</u> | <u>-</u> |
| 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 | 123,946 | - | 123,946 | - |
| | | | | <u>550,000</u> | <u>123,946</u> | <u>-</u> | <u>123,946</u> | <u>-</u> |

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

| 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) | | | | | | | | |
| Migrant Education - High School Equivalency Program (HEP) Madison College Rural High School Equivalency Program | 84.141A | S141A160028 | 07/01/16 - 06/30/21 | \$ 1,842,672 | \$ 363,570 | \$ - | \$ 363,570 | \$ - |
| | | | | 1,842,672 | 363,570 | - | 363,570 | - |
| Childcare Access Means Parents In School Madison College CCAMPIS Program | 84.335A | P335A180275 | 10/01/18 - 9/30/22 | 483,244 | 58,527 | - | 58,527 | - |
| | | | | 483,244 | 58,527 | - | 58,527 | - |
| Total Department of Education | | | | \$ 43,195,856 | \$ 36,473,330 | \$ 1,410,720 | \$ 37,884,050 | \$ - |
| Administration for Children and Families | | | | | | | | |
| WECA TEACH Early Childhood Accreditation Program | 93.575 | N/A | 06/15/18 - 12/31/23 | \$ 56,427 | \$ 2,057 | \$ - | \$ 2,057 | \$ - |
| WECA TEACH Early Childhood Scholarship Program | 93.575 | N/A | 06/15/18 - 08/31/19 | 52,450 | 44,842 | - | 44,842 | - |
| Total Administration for Children and Families | | | | \$ 108,877 | \$ 46,899 | \$ - | \$ 46,899 | \$ - |
| Federal Emergency Management Agency | | | | | | | | |
| FEMA Assistance to Firefighters | 97.044 | 04-322-153-119 | 07/01/18 - 08/27/19 | \$ 35,650 | \$ 29,458 | \$ 4,419 | \$ 33,877 | \$ - |
| Total Federal Emergency Management Agency | | | | \$ 35,650 | \$ 29,458 | \$ 4,419 | \$ 33,877 | \$ - |
| Research and Development Cluster | | | | | | | | |
| National Science Foundation | | | | | | | | |
| Geosciences | | | | | | | | |
| MRI: Development of a Modern Polar Climate and Weather Automated Observing System | 47.050 | PLR-1625904 | 09/01/16 - 08/31/19 | \$ 603,427 | \$ 274,427 | \$ - | \$ 274,427 | \$ 21,642 |
| Education and Human Resources | | | | | | | | |
| Advanced Technology Education | | | | | | | | |
| Scaling Implementation of Stem Cell Tech Ed Center for Renewable Energy Advanced Technological Education: Support Center (CREATE-SC) | 47.076 | DUE-1501553 | 09/01/15 - 08/31/19 | 660,980 | 70,119 | - | 70,119 | 25,749 |
| Contextualize to Learn: Preparing Faculty Toward Math Contextualization for Student Success in ATE Center for Renewable Energy Advanced Technological Education: Energy Storage Project | | DUE-1600934 | 07/01/16 - 06/30/20 | 1,648,690 | 304,974 | - | 304,974 | 120,427 |
| Consortium for Advanced Manufacturing of Cell and Tissue-Based Products | | DUE-1700625 | 06/01/17 - 05/31/20 | 150,000 | 37,704 | - | 37,704 | - |
| Building New Pathways to Biotechnology Technician Careers | | DUE-1800893 | 07/01/18 - 06/30/21 | 599,582 | 194,065 | - | 194,065 | 64,596 |
| | | DUE-1801123 | 09/01/18 - 08/31/21 | 570,200 | 129,981 | - | 129,981 | 14,528 |
| | | DUE-1801143 | 09/01/18 - 08/31/21 | 395,495 | 68,387 | - | 68,387 | 5,640 |
| Wisconsin Alliance for Minority Participation (WiscAMP) Peer Mentors and Professional Prep for STEM Careers | | HRD-1400815 | 09/01/14 - 07/31/19 | 105,250 | 24,847 | - | 24,847 | - |
| Louis Stokes Alliance for Minority Participation (LSAMP) LSAMP Inspire Scholars Program | | HRD-1740898 | 07/01/17 - 06/30/20 | 277,005 | 113,473 | - | 113,473 | - |

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

| Assistance Program | Federal Catalog Number | Grant Number | Grant Dates | Federal Grant Amount | Revenues | | Total Expenditures | Passed Through to Sub-Recipients |
|---|------------------------|-----------------|---------------------|----------------------|----------------------|---------------------|----------------------|----------------------------------|
| | | | | | Federal | Match | | |
| Research and Development Cluster (Continued) | | | | | | | | |
| <u>National Institutes of Health</u> | | | | | | | | |
| Biomedical Research and Research Training | | | | | | | | |
| CELLARA, LLC in Support of a Cloud-Based Software Platform for Stem Cell Research | | | | | | | | |
| | 93.859 | 1R41GM125489-01 | 09/15/17 - 04/14/19 | \$ 77,035 | \$ 20,670 | \$ - | \$ 20,670 | \$ - |
| Total Research and Development Cluster | | | | \$ 5,087,664 | \$ 1,238,645 | \$ - | \$ 1,238,645 | \$ 252,581 |
| Total Federal Financial Awards | | | | \$ 52,091,669 | \$ 39,886,193 | \$ 1,517,461 | \$ 41,403,654 | \$ 252,581 |

MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICY

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

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

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

| | | |
|---|---------------|--|
| Federal revenues from Schedule of Expenditures of Federal Awards | \$ 39,886,193 | |
| Federal grants revenue recognized in the statement of revenues, expenses and changes in net assets | \$ 19,724,619 | |
| Loans presented on the Schedule of Expenditures of Federal Awards | 20,161,575 | |
| Other | (1) | |
| | \$ 39,886,193 | |

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 | \$ 998,355 |

NOTE D - DE MINIMUS INDIRECT COST RATE

Madison Area Technical College has not elected to apply the 10% De Minimus indirect cost allocation rate for the year ended June 30, 2019.

NOTE E - ENDING OF YEAR LOAN BALANCE

The balance of outstanding loans as of 6/30/19 is \$-0-, as Madison Area Technical College is not the lender for these loans made to students.

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended June 30, 2019

| Assistance Program | State Catalog Number | Grant Number | Grant Dates | Grant Amount | Revenues | | | Total Expenditures | Passed Through to Sub-Recipients |
|--|--------------------------|----------------|---------------------|---------------------|---------------------|-------------------|---------------------|--------------------|----------------------------------|
| | | | | | State | Match | | | |
| Wisconsin Department of Transportation | | | | | | | | | |
| Driver Education | Statute 20.395(4)(aq) | | | | | | | | |
| Motorcycle Training-Basic Rider | | 60406-BRC1 | 07/01/18 - 06/30/19 | \$ 65,422 | \$ 35,700 | \$ 36,624 | \$ 72,324 | \$ - | |
| Total Wisconsin Department of Transportation | | | | \$ 65,422 | \$ 35,700 | \$ 36,624 | \$ 72,324 | \$ - | |
| Higher Education Aids Board | | | | | | | | | |
| Wisconsin Higher Education Grant | 235.102 | N/A | 07/01/18 - 06/30/19 | \$ 2,821,178 | \$ 2,821,178 | \$ - | \$ 2,821,178 | \$ - | |
| Remission of Fees for Veterans & Dependents | 235.105 | N/A | 07/01/18 - 06/30/19 | 124,480 | 124,480 | - | 124,480 | - | |
| Minority Retention Grant | 235.107 | N/A | 07/01/18 - 06/30/19 | 14,144 | 14,144 | - | 14,144 | - | |
| Wisconsin Covenant Grant | 235.108 | N/A | 07/01/18 - 06/30/19 | 16,753 | 16,753 | - | 16,753 | - | |
| Academic Excellence | 235.109 | N/A | 07/01/18 - 06/30/19 | 7,312 | 7,312 | 7,313 | 14,625 | - | |
| Handicapped Assistance | 235.112 | N/A | 07/01/18 - 06/30/19 | 4,500 | 4,500 | - | 4,500 | - | |
| Talent Incentive Program | 235.114 | N/A | 07/01/18 - 06/30/19 | 96,812 | 96,812 | - | 96,812 | - | |
| Nursing Student Loans | 235.117 | N/A | 07/01/18 - 06/30/19 | 12,600 | 12,600 | - | 12,600 | - | |
| Technical Excellence Program | 235.119 | N/A | 07/01/18 - 06/30/19 | 93,348 | 93,348 | 93,331 | 186,679 | - | |
| Wisconsin Indian Grant | 235.132 | N/A | 07/01/18 - 06/30/19 | 29,150 | 29,150 | - | 29,150 | - | |
| Total Higher Education Aids Board | | | | \$ 3,220,277 | \$ 3,220,277 | \$ 100,644 | \$ 3,320,921 | \$ - | |
| Wisconsin Technical College System Board | | | | | | | | | |
| Performance Based Aid | 292.105 | N/A | 07/01/18 - 06/30/19 | \$ 2,587,455 | \$ 2,587,455 | \$ - | \$ 2,587,455 | \$ - | |
| State Aids for Technical Colleges | 292.105 | N/A | 07/01/18 - 06/30/19 | 8,367,300 | 8,367,300 | - | 8,367,300 | - | |
| Prior Year | | N/A | 07/01/17 - 06/30/18 | 134,700 | 134,700 | - | 134,700 | - | |
| | | | | 11,089,455 | 11,089,455 | - | 11,089,455 | - | |
| General Purpose Revenue (GPR) Grant Funds | 292.124 | | | | | | | | |
| Apprentice-Related Instruction | | | | | | | | | |
| Electrician Apprenticeship Additional Sections | | 04-342-124-119 | 07/01/18 - 06/30/19 | 40,500 | 40,500 | - | 40,500 | - | |
| Plumbing Apprenticeship Additional Sections | | 04-343-124-119 | 07/01/18 - 06/30/19 | 13,500 | 13,301 | - | 13,301 | - | |
| Sheetmetal Apprenticeship Additional Sections | | 04-344-124-119 | 07/01/18 - 06/30/19 | 27,000 | 27,000 | - | 27,000 | - | |
| Career Pathways | | | | | | | | | |
| Connections to Business/Health Careers | | 04-330-124-129 | 07/01/18 - 06/30/19 | 400,000 | 300,000 | 100,000 | 400,000 | - | |
| Developing Markets | | | | | | | | | |
| Development of a Cloud Support Associate Two-Year Degree | | 04-323-124-149 | 07/01/18 - 06/30/19 | 110,839 | 108,817 | - | 108,817 | - | |
| Professional Growth | | | | | | | | | |
| Madison College CETL - Professional Development | | 04-335-124-159 | 07/01/18 - 06/30/19 | 139,017 | 87,795 | 43,898 | 131,693 | - | |
| State Completion | | | | | | | | | |
| Student Completion | | 04-331-124-169 | 07/01/18 - 06/30/19 | 300,000 | 219,596 | 73,199 | 292,794 | - | |

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended June 30, 2019

| 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) | | | | | | | | | |
| Core Industry | | | | | | | | | |
| Veterinary Technicians-Supporting Industry Demand | | 04-333-124-139 | 07/01/18 - 06/30/19 | \$ 131,628 | \$ 51,554 | \$ - | \$ 51,554 | \$ - | |
| Hot Jobs & Cool Careers:Expanding HVAC/R & Facility | | 04-332-124-139 | 07/01/18 - 06/30/19 | 152,929 | 115,302 | - | 115,302 | - | |
| Captioning Leadership | | | | | | | | | |
| Cross-Functional Captioning Initiative | | 04-326-124-198 | 04/01/18 - 02/15/19 | 20,000 | 7,094 | - | 7,094 | - | |
| Student Success Center (SSC) Leadership Grant | | | | | | | | | |
| Madison College CARES Initiative | | 04-327-124-198 | 04/01/18 - 03/31/19 | 20,000 | 7,498 | - | 7,498 | - | |
| Workforce Advancement Training | | | | | | | | | |
| Providing Healthcare Workers with Essential Skills | | 04-318-124-178 | 07/01/17 - 08/31/18 | 87,230 | 5,071 | - | 5,071 | - | |
| Developing Hospitality Leaders for Industry Growth | | 04-319-124-178 | 07/01/17 - 08/31/18 | 87,584 | 2,112 | - | 2,112 | - | |
| Manufacturing Quality Consortium | | 04-320-124-178 | 07/01/17 - 08/31/18 | 139,840 | 11,424 | - | 11,424 | - | |
| Providing Healthcare Workers with Critical Skills | | 04-336-124-179 | 07/01/18 - 08/31/19 | 82,967 | 57,197 | - | 57,197 | - | |
| Developing Hospitality Leaders for Industry Growth | | 04-337-124-179 | 07/01/18 - 08/31/19 | 64,528 | 52,185 | - | 52,185 | - | |
| Providing Manufacturers with Critical Skills | | 04-338-124-179 | 07/01/18 - 08/31/19 | 104,228 | 88,712 | - | 88,712 | - | |
| Pass-Through Awards: | | | | | | | | | |
| Advanced Manufacturing-Southwest WI Technical College | | 04-341-124-189 | 10/01/18 - 09/30/19 | 32,529 | 20,034 | - | 20,034 | 14,234 | |
| | | | | 1,954,319 | 1,215,194 | 217,096 | 1,432,290 | 14,234 | |
| Student Success Center Promising Practice | 292.132 | | | | | | | | |
| Cares Mini-Project | | 04-340-132-119 | 10/15/18 - 4/30/19 | 4,625 | 1,848 | - | 1,848 | - | |
| | | | | 4,625 | 1,848 | - | 1,848 | - | |
| Property Tax Relief Aid | 292.162 | N/A | 07/01/18 - 06/30/19 | 60,894,211 | 60,894,211 | - | 60,894,211 | - | |
| | | | | 60,894,211 | 60,894,211 | - | 60,894,211 | - | |
| Fire Service Operations | 292.137 | | | | | | | | |
| Fire Fighter Training 2% | | N/A | 07/01/18 - 06/30/19 | 85,595 | 85,595 | - | 85,595 | - | |
| | | | | 85,595 | 85,595 | - | 85,595 | - | |
| Total Wisconsin Technical College System Board | | | | \$ 74,028,205 | \$ 73,286,304 | \$ 217,096 | \$ 73,503,400 | \$ 14,234 | |
| Wisconsin Department of Natural Resources | | | | | | | | | |
| Aid in Lieu of DNR Property Taxes | 370.503 | N/A | 07/01/18 - 06/30/19 | \$ 87,787 | \$ 87,787 | \$ - | \$ 87,787 | \$ - | |
| Total Wisconsin Department of Natural Resources | | | | \$ 87,787 | \$ 87,787 | \$ - | \$ 87,787 | \$ - | |
| Wisconsin Department of Workforce Development | | | | | | | | | |
| An Integrated Approach to Dual Credit Teacher Certification | 445.109 | EFF181DE10003 | 07/01/18-06/30/20 | \$ 196,067 | \$ 250 | \$ - | \$ 250 | \$ - | |
| Fire Fighter and EMR High School Certification Expansion | | EFF181HS10002 | 06/30/18-06/30/20 | 50,771 | 20,237 | - | 20,237 | - | |
| Expanding Certification for High School Students | | EFF182HS10014 | 07/01/18-06/30/20 | 98,242 | 12,250 | - | 12,250 | - | |
| Total Wisconsin Dept. of Workforce Development | | | | \$ 345,080 | \$ 32,736 | \$ - | \$ 32,736 | \$ - | |
| Wisconsin Department of Revenue | | | | | | | | | |
| State Aid-Personal Property Tax | 835.103 | N/A | 07/01/18 - 06/30/19 | \$ 482,340 | \$ 482,340 | \$ - | \$ 482,340 | \$ - | |
| State Aid-Computers | 835.109 | N/A | 07/01/18 - 06/30/19 | 593,259 | 593,259 | - | 593,259 | - | |
| Total Wisconsin Department of Revenue | | | | \$ 1,075,599 | \$ 1,075,599 | \$ - | \$ 1,075,599 | \$ - | |
| Total State Financial Awards | | | | \$ 78,822,371 | \$ 77,738,403 | \$ 354,364 | \$ 78,092,767 | \$ 14,234 | |

MADISON AREA TECHNICAL COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended June 30, 2019

NOTE A - SIGNIFICANT ACCOUNTING POLICY

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

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

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

| | | |
|---|----|-------------------|
| State revenues from Schedule of Expenditures of State Awards | \$ | <u>77,738,403</u> |
| State grants revenue is presented on the basic financial statements as follows: | | |
| Operating | \$ | 4,591,351 |
| Nonoperating | | 73,147,052 |
| Other | | <u>-</u> |
| | \$ | <u>77,738,403</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 | \$ 72,324 |
| 235.105 | Higher Education Aids Board | Remission of Fees for Veterans and Dependents | 124,480 |
| 370.503 | Department of Natural Resources | Aid in Lieu of DNR Property Taxes | 87,787 |
| 835.109 | Department of Revenue | State Aid - Computers | 593,259 |
| 835.103 | Department of Revenue | State Aid - Personal Property Tax | 482,340 |

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

| CFDA Number(s) | Name of Federal Program or Cluster |
|---|---|
| <i>Research and Development Cluster</i> | |
| 47.050 | Geosciences |
| 47.076 | Education and Human Resources Grant |
| 93.859 | Biomedical Research and Training |
| <i>Student Financial Assistance Cluster</i> | |
| 84.007 | Federal Supplemental Educational Opportunity Grants |
| 84.268 | Federal Direct Student Loans |
| 84.033 | Federal Work-Study Program |
| 84.069 | Federal Pell Grant Program |

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

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance

1. Internal control over state projects:

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

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

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

Identification of Major State Projects

| CSFA Number(s) | Name of State Project |
|----------------|-----------------------------------|
| 235.107 | Minority Retention Grant |
| 235.108 | Wisconsin Covenant Grant |
| 235.109 | Academic Excellence Grant |
| 235.112 | Handicapped Assistance Grant |
| 235.114 | Talent Incentive Program |
| 235.117 | Nursing Student Loans |
| 235.119 | Technical Excellence Program |
| 235.132 | Wisconsin Indian Grant |
| 292.105 | State Aids for Technical Colleges |
| 292.105 | Performance Based Aid |
| 292.162 | Property Tax Relief Aid |

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

Section II – Financial Statement Findings

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

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

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

2019 – 001

Federal agency: Department of Education

Federal program title: Student Financial Aid Cluster

CFDA Numbers: 84.007, 84.268, 84.033, 84.069

Award Period: July 1, 2018 through June 30, 2019

Type of Finding: Significant Deficiency in Internal Control over Compliance and Other Matters

Criteria or specific requirement: The Gramm-Leach-Bliley Act (Public Law 106-102) requires financial institutions to explain their information-sharing practices to their customers and to safeguard sensitive data. (16 CFR 314) The Federal Trade Commission considers Title IV-eligible institutions that participate in Title IV Educational Assistance Programs as “financial institutions” and subject to the Gramm-Leach-Bliley Act (16 CFR 313.3(k)(2)(vi)).

Condition: Under an institution’s Program Participation Agreement with the Department of Education and the Gramm-Leach-Bliley Act, schools must protect student financial aid information, with particular attention to information provided to institutions by the Department or otherwise obtained in support of the administration of the federal student financial aid programs.

Questioned costs: None

Context: During our audit procedures, it was noted that the District did perform a risk assessment that addresses the three areas noted in 16 CFR 314.4 (b) which are (1) Employee training and management; (2) Information systems, including network and software design, as well as information processing, storage, transmission and disposal; and (3) Detecting, preventing and responding to attacks, intrusions, or other systems failures and document safeguards for identified risks.

Cause: The District developed a framework to conduct the risk assessment as required by the Gramm-Leach-Bliley Act, however the risk assessment procedures were not performed during the fiscal year.

Effect: The student personal information could be vulnerable.

Repeat Finding: No

Recommendation: We recommend that the District complete the risk assessment for the three areas required by the Gramm-Leach-Bliley Act and ensure that there are documented safeguards for identified risks.

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

MADISON AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

Section IV – Other Issues

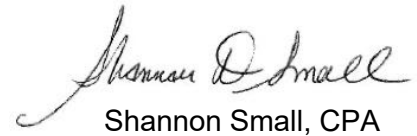
Does the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as the auditee's ability to continue as a going concern? No

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

 Technical College System Board: No

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

Name and signature of Director:


Shannon Small, CPA

Date of report:

December 4, 2019



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

District Board
Madison Area Technical College District
Madison, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Madison Area Technical College District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Madison Area Technical College District's basic financial statements, and have issued our report thereon dated December 4, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 4, 2019



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

District Board
Madison Area Technical College District
Madison, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited the Madison Area Technical College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Wisconsin State Single Audit Guidelines* that could have a direct and material effect on each of the Madison Area Technical College District's major federal and major state programs for the year ended June 30, 2019. The Madison Area Technical College District's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Madison Area Technical College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal and major state program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

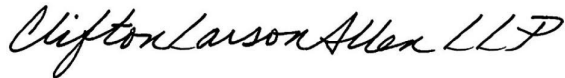
Management of the Madison Area Technical College District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Madison Area Technical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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2019-001, which we consider to be significant deficiency.

Madison Area Technical College District's response to the internal control over compliance finding identified in our audit is 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 the *Wisconsin State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 4, 2019



MADISON
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COLLEGE